

SUSTAINABILITY REPORT

2022



making safety
sustainable



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STATEMENT FROM THE CEO

I am pleased to unveil Midas Safety's second sustainability report which demonstrates our efforts and commitment to making safety sustainable and outlines our progress during 2022 against the targets around the seven key elements of People, Climate, Water, Energy, Waste, Products, and Packaging.

We have had achievements and setbacks versus our baseline 2020 figures, such as a reduction in plastic consumption, a reduction in our carbon footprint, and a reduction in water consumption whereas our setbacks include an increase in electricity consumption, biomass consumption, and an overall reduction in output.

During the year, we undertook several awareness drives, culminating in a sustainability week held in November, where the message was simple - "small steps taken by each of us in our daily lives can collectively make a huge impact on the environment." However, bringing about the mindset change within the organization will still require a lot more effort, which will be our focus during 2023.

Our stakeholders are helping us increase the momentum, with our Advisory Board reviewing our performance against our three-year targets at our quarterly board meetings. Our customers have given an encouraging response on our eco-friendly product range in the form of higher than expected orders and our R&D team have managed to develop a solvent free process for our highest volume product.

We continue to spend on CSR with our focus on education and healthcare and I would like to highlight our project on a nursing school in Pakistan being the largest project during 2022.

I would like to thank our team members for their efforts during the year and we will need to do more next year to create a stronger impact. I am confident that with the support of all our team members at Midas Safety, we will achieve even better results next year!



Hussain Kassam
Chief Executive Officer

"Small steps taken by each of us in our daily lives can collectively make a huge impact on the environment."

ABOUT OUR REPORT

This is Midas Safety's second sustainability report, and as a company, we are striving to improve our sustainability efforts to create a positive impact on our society, the economy, and the environment.

Our core business and operational activities, as well as the community outreach programs, were considered when drafting this report. Values of waste generated, diverted, and disposed of are restated on page 64 and values of materials restated on page 63. The Sustainability Report is published annually, with this report being published on 30th April 2023.

Reporting Period

Midas Safety's sustainability report covers the activities of its operations in Pakistan, Sri Lanka, and Bangladesh from 1st January 2022 to 31st December 2022.

Reporting Boundary

The operating sectors of Midas Safety, such as industrial safety gloves, workwear & protective clothing, yarn & fabric, and the organizations listed on page 5, are covered in this report. For the regions we operate in, there is no unified financial statement, Midas Safety entities report financial performance separately and have a yearly reporting cycle in place. The quantitative data revealed in this report is the total data from all locations. Our sustainability strategy is presented against financial and non-financial goals, along with opportunities, risks and outcomes, impacting our key stakeholders. Additionally, this report provides stakeholders with an overview of our past performance and our social, economic and environmental initiatives.

Methodology and Data Quality

The data and information comes from existing management information systems and is recorded monthly, quarterly, and annually. However, in areas of the report where actual data was not accessible, estimation was utilized and acknowledged. The data was double-checked by the Internal Audit Department for consistency, reliability, comparability and correctness. The sustainability report is part of the annual reporting process started in 2021.

External Assurance

The report is examined by the Sustainability Council & Core Committee before being approved. To give external assurance on the report, the Sustainability Council & Core Committee is also in charge of selecting and working with an external reviewer. Corporate Social Responsibility Centre Pakistan was hired to conduct an impartial evaluation of the report. The scope, criteria, responsibilities, methodology, and assurer's opinion are all included in the report from the external reviewer, which is available on Page 70.

This report is available on www.midassafety.com. The GRI index is available on page 73. To protect the environment, please print this document only if necessary. We appreciate your feedback on the report to the contact mentioned below:

Zakir Abdi

Chief R&D Officer | Global Head of Sustainability
zakir@midassafety.com



OUR PROFILE

Midas Safety is a manufacturer and supplier of Personal Protective Equipment (PPE), with a primary focus on hand protection. The diversified portfolio of gloves caters to the needs of our customers globally. In addition to gloves, we also manufacture technical yarns, fabrics and protective clothing. Our products protect thousands of workers globally and are not banned in any market. Our diverse product range is used in a wide variety of applications including cut resistance, chemical protection, heat and cold protection, medical examination and general purpose.

Our manufacturing sites and R&D facilities are situated in Pakistan, Sri Lanka, and Bangladesh. We have a sales presence in Europe, North America, Latin America, Asia, Australia, and New Zealand. With 12 manufacturing sites and 10,000+ employees, we supply products to more than 50 countries around the world. Our reporting across all manufacturing locations is integrated through our SAP® ERP system.

PAKISTAN	SRI LANKA	BANGLADESH
Karachi <ul style="list-style-type: none"> Shahbaz Garments (Pvt) Ltd. (1 unit) Beltexco Limited Prime Safety Limited Midas Clothing Limited (3 units) 	Malwana <ul style="list-style-type: none"> Workwear Lanka (Pvt) Ltd. Katunayake <ul style="list-style-type: none"> Midas Safety Lanka (Pvt) Ltd. Avissawella <ul style="list-style-type: none"> Midas Safety Lanka (Pvt) Ltd. (Prime Polymers Division) 	Chattogram <ul style="list-style-type: none"> Midas Safety Bangladesh Ltd.
Faisalabad <ul style="list-style-type: none"> Shahbaz Garments (Pvt) Ltd. (2 units) 		

There was no significant acquisition and our organizational structure, processes, business relationships, and value chain remains the same as last year (2021).

We operate a decentralized structure, with global leadership teams stationed at various locations based on their utility and logistics. We have an enterprise resource management through SAP® and data backup and accessibility through cloud computing. The teams are well connected to drive operational effectiveness.

Being one of the world's leading PPE producers, we offer solutions that meet the safety requirements of a wide range of industrial sectors, including construction, mining, automotive, pharmaceuticals, metals, oil & gas, electronics, glass, agriculture, healthcare, food processing and general manufacturing.

Our R&D teams create environmentally friendly products while considering each stage of the product lifecycle. These include processes that use less water and energy, generate fewer emissions, and attempt for the end product to be biodegradable or recyclable. Our quality teams and laboratory facilities in all areas guarantee the durability and consistency of our products. We also use reputable testing laboratories in Europe and the USA to authenticate our products.



Midas Safety has been in business for over 45 years and during this period it has developed stringent controls on its materials, processes and products in order to meet customer expectations. We have various international product and management system certifications which include ISO 9001, ISO 14001, ISO 50001, ISO 45001, ISO 13485, ISO 27001, OEKO-TEX® 100 Standard, WWF Green Office, 5S, Global Recycled Standard (GRS), Recycled Claim Standard (RCS), SMETA 4-Pillar, Organic Content Standard (OCS), Global Organic Textile Standard (GOTS) and the Better Cotton Initiative (BCI). Our products go through a series of reviews utilizing a stage-gate process, as well as end user testing to ensure durability, performance, and compliance with laws and regulations in our markets.

We are a SATRA Technology member, which is an independent research and testing organization. Midas Safety also hold licenses for/with DuPont Kevlar®, Avient Dyneema®, Actifresh Sanitized®.

Membership Associations

PAKISTAN

- Karachi Chamber of Commerce & Industry
- Pakistan Readymade Garments Manufacturers & Exporters Association
- Pakistan Hosiery Manufacturers & Exporters Association

SRI LANKA

- Employer Federation of Ceylon
- Chamber of Commerce Sri Lanka
- Sri Lanka Shippers' Council
- Sri Lanka Export Development Board

BANGLADESH

- Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)
- Bangladesh EPZ Investors' Association (BEPZIA)

CORPORATE PRINCIPLES

The way we do business and interact with customers, suppliers, communities, and each other every day.



**EMPOWERED
PEOPLE**



**TRANSPARENT
EXCELLENCE**



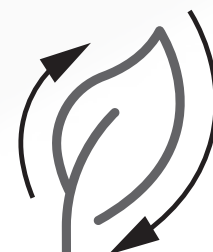
**AUTHENTIC
LEADERSHIP**



**CUSTOMER
CENTRIC**



**ADAPTABLE
INNOVATION**



SUSTAINABILITY

PERFORMANCE HIGHLIGHTS

(In comparison with baseline 2020)



GHG Emission

reduced by 23% to
55,838 Tons CO₂e



Energy Consumption

reduced by 5% to **1,169,559 GJ**



Renewable Energy

increased by 20% to
618,292 GJ



Water Withdrawal

reduced by 21% to **1,197 ML**



Rain Water Harvesting

Collected **0.8 ML**



Recycle Materials

consumption increased by 16% to
11,467 Metric Tons



Waste Generated

reduced by 6% to
6,409 Metric Tons



Food Waste

reduced by 46% to
59 Metric Tons



Compost

generated **5.85 Metric Tons**



Plastic in Packaging

reduced by 46% to
338 Metric Tons



Gender Diversity

increased by 2% to **34%**



Women in Management

increased by 2% to **17%**



Training Hours

19.18 hours per employee -
205,706 total training hours



Total Recordable Injury Rate

0.18 TRIR



Safety Incidents

reduced by **25%**

SUSTAINABILITY TARGETS - 2023



People

- Reduce safety related incidents by 60%
- Improve gender diversity to 40%
- Enhance & enrich the knowledge of employees through training – 18 hours per employee per year



Climate

- Reduce carbon footprint by 20%
- Eliminate HCFC equipment



Water

- Reduce freshwater intake by 20%
- Recycle 20% of used water



Energy

- Reduce electricity consumption by 20%
- Reduce biomass consumption by 20%
- Reduce gas consumption by 10%
- Install 7 MW Solar Power



Waste

- Reduce waste by 40%
- Reduce food waste by 30%
- Zero hazardous waste to landfill



Product

- Increase use of recycled material in products by 20% (28% to 48%)
- Sustained compliance of products across all geographies
- Reduce hazardous chemical consumption by 20%



Packaging

- Reduce plastic consumption by 100%

SUSTAINABILITY PILLARS



People



We focus on and promote employee health and wellbeing, providing a safe and decent working environment, creating equal opportunities, enhancing skills, instilling a learning culture, respecting human rights, abiding by labor laws, and encouraging diversity for our employees and partners. Our aim is to improve the number of female leaders. We are strictly against force and coercion, child labor, and any form of abuse or harassment.



Climate



To advance decarbonization and stimulate climate action, we have set GHG emission targets. Our teams are working relentlessly on ideas and projects to manage the effect on air, water, and land. We believe that through technology, operational efficiency, sustainable energy, product innovation, and waste management, it will be possible to manage our resources and address climate change.



Water



Water is the backbone of our existence. Our sustainable water management focuses on preserving stressed water sources, preventing pollution, protecting habitat, ensuring water treatment, encouraging water recycling, and ensuring a clean, fit for purpose water supply for our employees. We encourage responsible consumption of water in our operations and lifestyle.

Energy



Through technology and innovative means, we aspire to reduce our energy usage. Our overall energy burden is shifting toward renewable energy. We have solar, wind (pilot project), and biomass-based energy generation. With the right effort and consideration, we are confident that not only can the environmental impact and pollution be controlled, but we will also become more competitive and resilient in the face of challenging energy supply situations.

Waste



As a responsible manufacturer, we believe it is our duty to restrict waste by reducing, recycling, and reusing materials. We concentrate on waste generation during the design stage of our products to ensure minimal environmental impact. When disposing of waste, we do it responsibly.



Product



We are determined to increase sustainable, regenerated, and recycled materials in our products. We are careful while analyzing the health and environmental aspects of the materials we incorporate into our products, as ensuring the health of our employees and customers is our prime responsibility.



Packaging



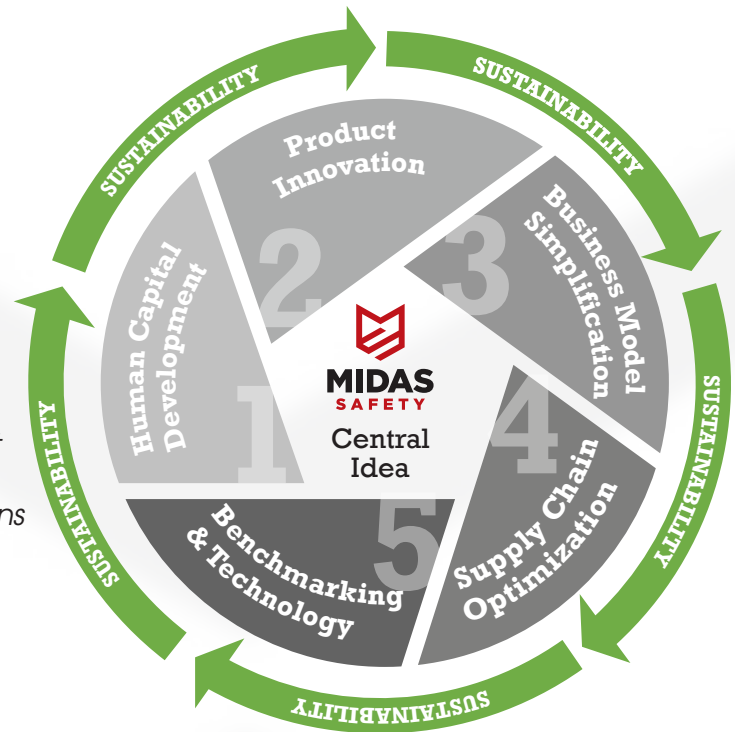
Plastic is a major part of our packaging. We are continuously striving to reduce plastics in our packaging by using alternate sustainable options. We are not only increasing the use of recycled materials in our packaging, but also reducing the overall weight and making it more compact. In addition, we are making options for more eco-friendly packaging available to our customers.



CENTRAL IDEA

The **Midas Safety Central Idea** is a guiding document and serves as the **Mission, Vision, and Purpose** of the Organization.

"Every little step of our work has a cumulative affect towards greater good. One of our most important duties is making sure that the global workforce returns to their families safe and happy. This aim makes our work truly meaningful. It enables us to make every tomorrow a vision of hope."



Human Capacity Development

- 1
 - Develop an employer brand to attract, retain and train promotable talent.
 - Develop commercial acumen for sales and manufacturing teams.
 - Training and development of our key resources.

Product Innovation

- 2
 - Produce an innovative range of products leveraging technical, development and marketing capabilities.
 - A wide range of diversified products, meeting the criteria, targeting industrial end users.
 - Equal focus on both developing innovative new products as well as continuous improvement in existing mature products.

Business Model Simplification

- 3
 - Reduce complexity, simplify systems and processes, eliminate non-value adding activities.
 - Bringing offerings to a commercially manageable level.
 - End to end accountability.
 - End to end authority.
 - Delegate to the lowest clear level of competence.
 - Increase use of digital marketing and branding.

Supply Chain Optimization

- 4
 - Continue to maximize our pre-production and post-production services through the core sales channels.
 - Develop sales channels with a high level of quality end-user contacts and knowledge.
 - Use of innovation to move closer to the end-user.
 - Focus on innovative sourcing.

Benchmarking & Technology

- 5
 - Benchmarking our production and efficiencies with industry leaders and allocate smart investments to be at par or ahead of the competition.
 - Focus on innovation and technological breakthroughs such as IoT, 3D printing, mass customization, and bringing in cutting edge technology.
 - Implement systems for compliance and governance without compromising on speed and service levels to our customers.

CORPORATE OBJECTIVES



1. Safety first

We do not come to work to get injured!
Be the leading example for workplace safety.



2. Sustainability

We will achieve our 2023 targets for sustainability across all 7 pillars.



3. Automation, modernization, digitalization

We will increase efficiency and reduce cost, and the implementation of industry 4.0 will further magnify the impact.



4. Revenue growth

Our investment in resources on the front end, will help us further penetrate both the developed and emerging markets.



5. End user contact

We will understand the end use application and perfect our product for it, simultaneously building trust with our customers to channel our products through them whilst remaining connected with the end user.

JOURNEY TOWARDS DIGITALIZATION



Midas Safety has been making significant strides in the field of digitalization and cloud technology. We started our SAP® journey in 2010 and recently implemented the latest version of SAP® S/4 HANA globally. Our cloud-based systems allows employees to work from any location at any time. We have also started our journey towards Industry 4.0 and digitalization, with shop-floor to top-floor automation.

SmartPro is an in-house developed solution and is the steppingstone of Midas Safety's digitalization journey, which bridges the shop-floor to top-floor gaps. Midas Safety's efforts towards digitalization and innovation have been recognized through a series of awards:

- Best Digitalization Process Enabler of the Year - NBQSA 2022
- Silver Award winner in the Manufacturing, Engineering, and Construction Industrial Category - NBQSA 2022.

“Digital transition is an unavoidable reality. Businesses that do not take digitalization seriously risk losing their competitive edge. Adapting to change is central to our corporate objectives.”



GOVERNANCE

**GOVERNANCE &
SUSTAINABILITY MANAGEMENT**

STAKEHOLDER ENGAGEMENT

MATERIALITY ASSESSMENT

MANAGING MATERIAL TOPICS

**PROMOTING INTEGRITY
AND ACCOUNTABILITY**

GOVERNANCE & SUSTAINABILITY MANAGEMENT

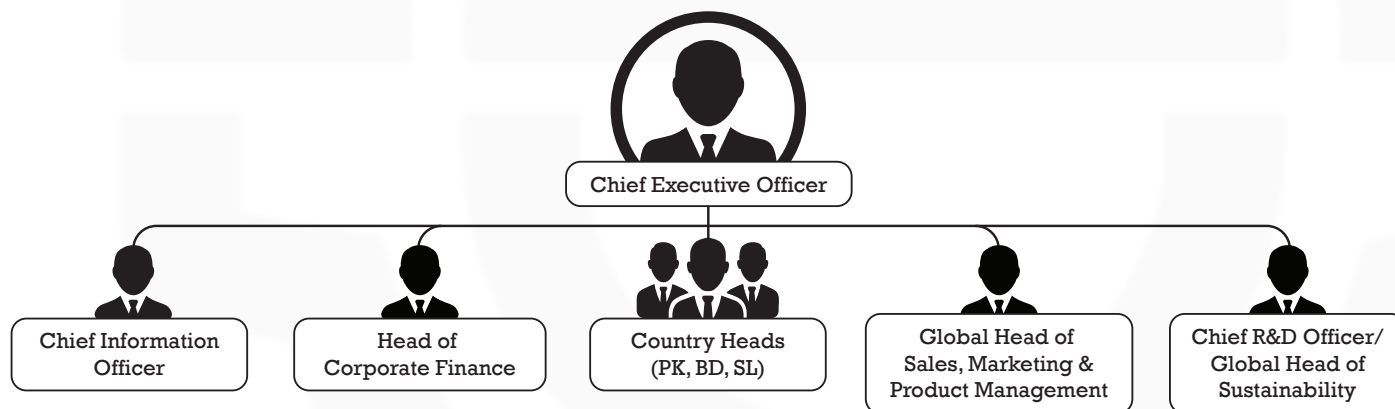
Midas Safety believes in a strong culture of morality, fairness, accountability, and openness. Our Code of Conduct* supplements our commitment to company culture. Midas Safety is a privately held, family owned business with a strong governance structure attempting to mimic that of a public company. The Advisory Board (Board) consists of members from diverse cultures and regions, who guide the management's leadership team and provide oversight, based on their rich experience. There are also subcommittees such as the Board Audit and Risk Committee and the HR Rewards & Remuneration Committee which are led by individual Board Members. The HR Rewards & Remuneration Committee identifies remuneration by performing a market analysis, taking input from the regions, and complying with local laws. It does not hire consultants or perform a formal stakeholder process with voting. The Board is conscious of knowledge and skill development of its members and those of the subcommittees, and its members have the expertise in managing social, environmental and economic issues. Training is provided as needed.

*Details in our 2021 report, page 15.

Governance Framework

The Board sets the direction and approach for long-term business objectives, organizational strategy, and risk management. The Board is made up of six members, three of whom are independent. The Board meets every quarter to review the businesses, provide guidance on strategic direction and review progress. Midas Safety has no financial ties with independent members. The CEO and the Chairman of the Board are two different persons, maintaining impartiality, addressing conflict of interest, and allowing a thorough and wider perspective while setting objectives and deciding future courses of action. New Board members are nominated and selected by members of the existing Board based on their expertise, competence and need for a particular skill.

Conflict of interest is clearly communicated in our Code of Conduct. All stakeholders agree to it and any incident is investigated and corrective measures are taken where necessary. We inform the person raising the grievance about the action taken and also seek feedback to ascertain whether the grievance was addressed.



The respective Country Heads investigate and review all issues arising from the legal, environmental, and social grievance mechanisms, as well as violations of the Code of Conduct, and critical concerns are discussed with the Board. There are no critical concerns reported for 2022.

Midas Safety respects environmental and social laws and the UN Declaration on Human Rights. Our policies and Code of Conduct not only require monitoring risks but also warrant applying the precautionary principle and performing risk assessments with due diligence to identify potential impacts on the environment and human rights, involving all stakeholders, including our employees, neighbors, customers, suppliers, and the civic society at large. The CEO approves the policy commitments, and the Country Heads are responsible for ensuring awareness, communication, and implementation of policy commitments through the HR, IR, and HSE functions, and through the business unit heads. IR, HR, and HSE functions provide feedback on the negative impacts that the organization has, or may have, caused and their most appropriate remedial actions to the Country Head and Global Head of HR & Sourcing.

Our Supplier Code of Conduct ensures the implementation of policy commitments in our supply chain. Our Code of Conduct is made available to our customers on demand. Policy commitments are not available to the public due to a confidentiality constraint but are available to the respective parties that are affected by these policies.

The Codes of Conduct for employees as well as suppliers are agreed upon once every two years. Once the actions are approved by the leadership team, the relevant departments implement them. Country Heads are responsible for monitoring the effectiveness of grievance resolution actions.

Regular training on the Code of Conduct, human rights, health, safety, environmental risks, and management is provided to all employees by the HR, IR, and HSE functions. All internal stakeholders are consulted through email and onsite discussions while establishing, reviewing, and implementing grievance mechanisms. Our whistleblower policy empowers employees to contact higher management for their concern and grievances on environmental, economic and social issues. A dedicated email address is provided for raising concerns.

Both environmental and social grievances are reviewed and investigated thoroughly by the respective operational site. We inform the person raising the grievance about the action taken and also seek feedback to ascertain whether the grievance was addressed. Our Code of Conduct bars any reprisal or negative action against anyone who raises a grievance.



Advisory Board Committees

- Sustainability Core Committee
- Board Audit and Risk Committee (BA&RC)
- HR Rewards and Remuneration Committee

“Our governance at Midas Safety is entwined with sincerity of purpose, the right economic and social balance, and the interests of the people at the forefront.”

Risk Management

The Board attaches significant importance to determining and handling risks in strategy, markets, finance, operations, sustainability, and resources. Midas Safety follows the Committee of the Sponsoring Organizations of the Treadway Commission (COSO) framework for adapting a systematic approach to risk management in their respective regions.

All regional internal audit departments report to the Board Audit & Risk Committee (BA&RC) and provide support by supplying information on the effectiveness of risk management and operational preparedness. BA&RC oversees the entire Enterprise Risk Management (ERM). BA&RC monitors the effectiveness and objectivity of internal and external auditors, financial reporting integrity, internal controls, and risk appetite. The risk assessment is carried out annually and is evaluated and endorsed by the board, who then determine the appropriate actions to mitigate the risks.

Sustainability Management

Our policies, practices, and sustainability progress are reviewed quarterly by the Board to gauge the impacts on the economy, environment, and society. The Board has constituted a core committee headed by the CEO, with Country Heads, Head of Sales & Marketing, and the Global Head of Sustainability as its members. The core committee is the highest sustainability body that sets the strategic direction on sustainable development and ensures our commitment to it. It also evaluates and guides all sustainability initiatives and ensures that the initiatives are in accordance with the overall sustainability plan and directions of the Board. The Sustainability Council reports to the core committee and ensures data accuracy, consistency, and monitoring of sustainability objectives and initiatives. All regional Sustainability Heads are members of the Sustainability Council which collects data from each facility in their respective regions.



Stakeholder engagement is delegated to the Global Head of Sustainability. Regional Sustainability Heads are responsible for engaging stakeholders and gathering their inputs. Stakeholder engagement is completed every two years and the Global Head of Sustainability shares the outcomes with the Board for deliberation and approval.

Sustainability Management (continued)**Advisory Board**

- Is the highest governing body which approves short-term and long-term targets.
- Reviews the stakeholder engagement process, its outcomes and materiality assessment.
- Approves sustainability projects.
- Evaluates performance results.
- Through input from Board committees, Country Heads, and members, it evaluates the impact on the economy, environment, and society.

**Sustainability Core Committee**

- The primary function is to set sustainability targets, measure and monitor performance.
- Sets out the roles, responsibilities, and mandate for the Sustainability Council.
- Integrates both business and sustainability priorities for each region to thrive.

**Sustainability Council**

- Has the mandate to oversee overall progress on sustainability in all three regions.
- Develops training programs concerning environmental and social matters and facilitates implementation.
- Collects performance information including actions and progress towards meeting sustainability targets.
- Facilitates stakeholder consultation and input on important sustainability matters.

**Sustainability Business Unit Teams**

- 80+ regional, business level team members.
- Supports data collection and monitoring.
- Provides support for sustainability action plans and trainings at business units.

“We believe that good governance and a strong culture lead to long-lasting transformation for our organization and people.”

STAKEHOLDER ENGAGEMENT

Staying connected with our stakeholders builds trust and improves business relationships. At Midas Safety, we have identified and solicited feedback from those stakeholders with whom we have the most frequent interactions. Under the reporting principles of materiality and inclusivity, we have evaluated stakeholder engagement through an online questionnaire. Stakeholder categories and outcomes are listed below:



Investors/Shareholders

HOW WE ENGAGE:

- Performance reports.
- Board meetings.
- Direct engagement.

KEY TOPICS AND CONCERNS:

- Financial performance.
- Sustainability management including environmental and social aspects.
- Compliance.

OUR RESPONSE:

- Focusing on delivery of committed results.
- Development of sustainability policies and upgrading practices to manage impacts.
- Ensuring compliance with applicable laws and customer requirements.



Employees

HOW WE ENGAGE:

- Staff meetings.
- Engagement surveys.
- Training events.
- Dialogue with trade unions and worker representatives.
- Events, e.g., sports and cultural activities.

KEY TOPICS AND CONCERNS:

- Ensuring employee health and safety.
- Remuneration and benefits.
- Job security.
- Training.

OUR RESPONSE:

- Continued focus on safety measures to ensure zero injury.
- Formal and informal salary surveys.
- HR/IR guideline manual and systems to ensure procedural justice and fairness in all employee matters can be proven.
- Development needs/training embedded as part of the annual performance evaluation process. Internal training targets.



Suppliers

HOW WE ENGAGE:

- Direct engagement.
- Supplier Code of Conduct.
- Periodic supplier reviews and assessment.
- Involvement in industry associations.

KEY TOPICS AND CONCERNS:

- Requirements on sustainable supply chain.
- Business continuity.
- Product quality and specifications.
- Supply chain disruptions.

OUR RESPONSE:

- Providing support to suppliers on transparent and ethical business practices.
- Maintaining strong relationships with existing suppliers and gathering a list of alternative suppliers.
- Working with suppliers to manage supply chain disruptions.





Community

HOW WE ENGAGE:

- Community events.
- Press releases.
- Social media platforms.
- CSR activities.

KEY TOPICS AND CONCERNS:

- Employment opportunities.
- Community development.
- Environmental impacts.

OUR RESPONSE:

- Providing jobs through our operations and supply chain.
- Donations to different institutions for community development.
- Mitigating the environmental impact of our operations through sustainable initiatives.



Regulators

HOW WE ENGAGE:

- Direct engagement.
- Industry associations.

KEY TOPICS AND CONCERNS:

- Compliance with applicable laws.
- Payment of duties and taxes.
- Environmental impact.

OUR RESPONSE:

- Meeting compliance requirements in all areas.
- Strong governance systems; internal and external audits.



Customers

HOW WE ENGAGE:

- Sales teams.
- Website.
- Trade shows.
- Customer Satisfaction Surveys.
- Digital communication and social media.

KEY TOPICS AND CONCERNS:

- Product quality, materials, and manufacturing process.
- Sustainable business practices.
- Product packaging.
- New products and innovations.

OUR RESPONSE:

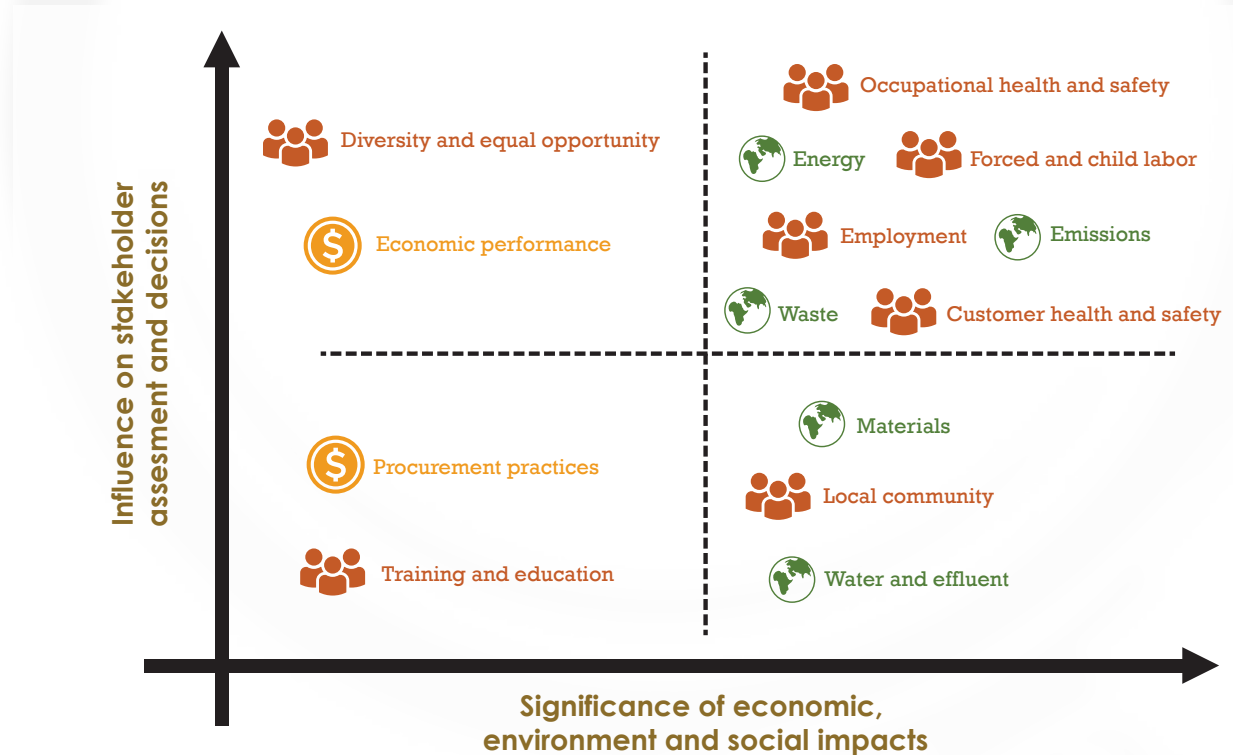
- Research, development and operational excellence drives to develop new products, sustainable practices, and improve the quality of existing products.
- Continued compliance to quality, safety, and environmental certifications.
- Adopting and implementing sustainability practices.
- Complying with customers' packaging requirements and exploring sustainable options.



MATERIALITY ASSESSMENT

Materiality analysis helps in determining significant material topics that impact the economy, environment and society. We have built a materiality matrix by evaluating feedback from our internal and external stakeholders so as to construct a reliable model.

In 2021, we performed our materiality assessment. This year, we have reassessed the impacts of selected material topics. There is no change in the material topics because of the reassessment. GRI-419: Socioeconomic Compliance and GRI-307: Environmental Compliance, which were identified as material topics in the last sustainability report, are now removed as they have become part of general disclosure 2-27: Compliance with Laws and Regulations, and therefore disclosed accordingly.



Materiality analysis process



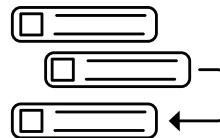
1. Identification

Midas Safety and stakeholders identify sustainability topics that represent impacts.



2. Assessment

To evaluate Midas Safety's material issues, we analyze risk and opportunity from a global perspective.



3. Prioritization

Sustainability topics are prioritized if they have a severe impact, are relevant to stakeholders or to our strategic goals.

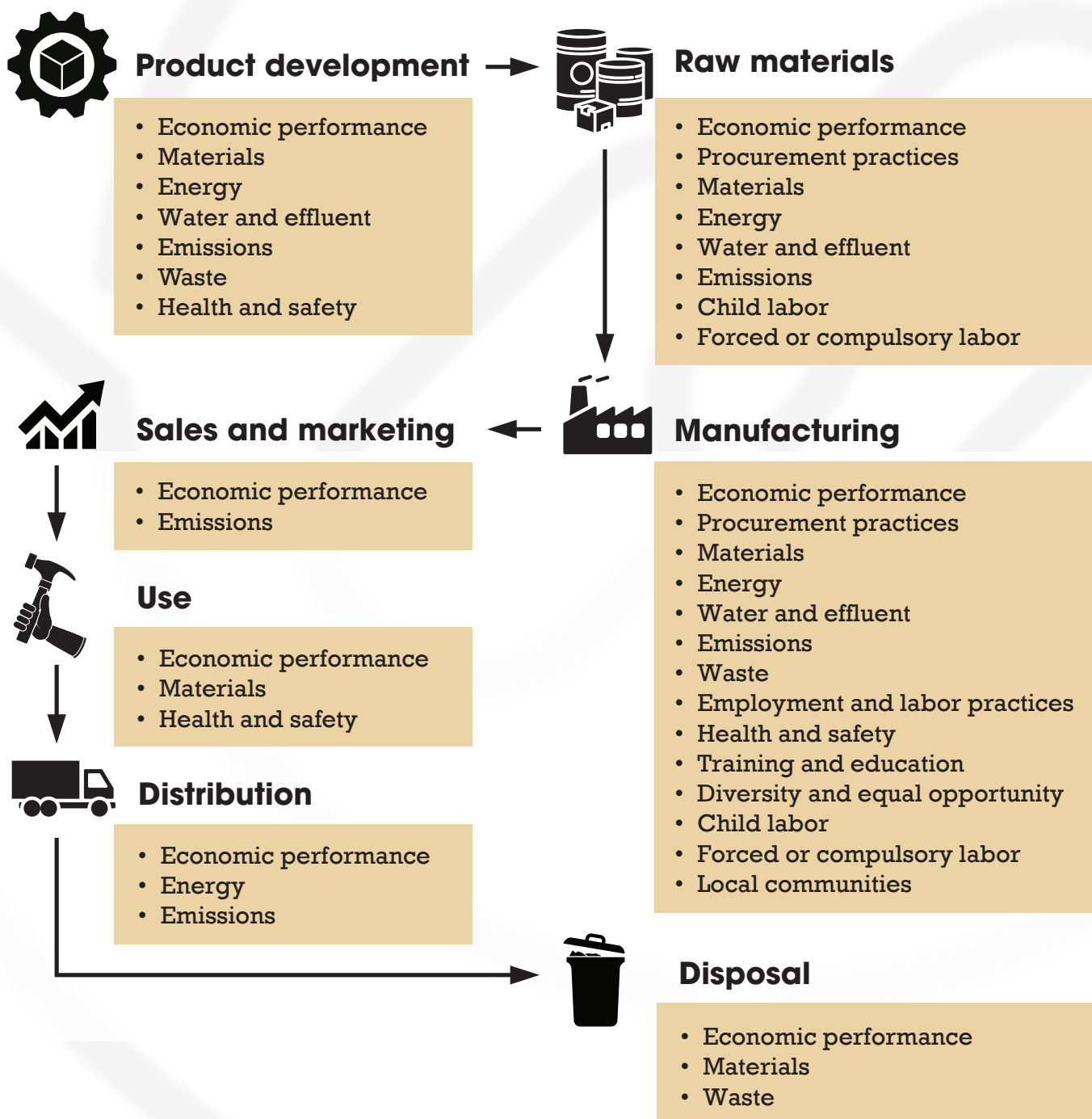


4. Validation

Validation of sustainability topics based on the effects on business performance, stakeholder decisions, the environment, and society.

Value Chain and Impacts

At Midas Safety, we are conscious of the type, source and origins of the raw materials we use and their impact on the environment and society. We have implemented a supplier code of conduct which ensures the same responsibility onto our suppliers. Our manufacturing operations use water, chemicals, textiles, auxiliaries, fuels, electricity and packaging materials which produce waste, effluent and emissions. These impacts are monitored and reported and fall within the legal limits as we promote a culture of conservation, recycle and reuse. The workforce plays a vital role in producing the goods and providing services, which have their own set of impacts. We have implemented a grievance mechanism and maintained communication channels for all issues to be identified and addressed. We respect the UN declaration on Human Rights. We are also carrying out due diligence to determine our product's impact at its end of life disposal.



MANAGING MATERIAL TOPICS



Economic performance

Why It Matters? Directly impacts stakeholders, as we create and deliver value

Management Approach: Operational performance is presented to the Board quarterly for evaluation. The CEO and the entire management team of Midas Safety are responsible for economic management. While considering the expectations of shareholders, employees, customers, and growth potential, the future needs of the company are reflected in its corporate objectives, sustainability targets, and annual budget. We believe that these measures will help generate better returns to remain competitive.



Procurement practices

Why It Matters? Important for ensuring that high-quality products are delivered through a reliable supply chain

Management Approach: We promote and develop reliable quality raw materials from local suppliers to reduce the environmental footprint and help create economic activity in the local market whilst remaining competitive. The procurement heads at each business unit follow the established procurement policies in order to execute their plans for sourcing materials. Procurement data is gathered, audited and presented by them to the sustainability council and core committee.



Material

Why It Matters? Impact on profitability and environment

Management Approach: Midas Safety is committed to reducing its environmental impact through conservation efforts, promoting recycled and renewable materials, and adopting the use of green materials. Our R&D teams, along with procurement leaders, develop sustainable materials, keeping in mind the life cycle of the product. Midas Safety's material policy is a guiding document that helps us fulfil our environmental and social responsibilities. To monitor the effectiveness of material use, data is verified by the relevant business unit heads and reviewed by the Sustainability Council.



Energy

Why It Matters? Efficient and cost-effective energy supply impacts profitability and emissions

Management approach: As a manufacturer, energy use is vital to our operations. Therefore, Midas Safety is striving to enhance resilience by promoting renewable energy resources. In line with our energy policy, we are increasing our capacity for solar and biomass based energy generation. Energy targets are set by the Sustainability Core Committee and the Global Head of Sustainability and Country Heads submit data to the Board for review every quarter and it is reported in the Sustainability Report.



Water and effluent

Why It Matters? Water scarcity and the use of water in operations

Management Approach: Our water policy supports business units in taking initiatives for water conservation, discharge, and use. Since our locations are in medium to high risk water areas, we use Reverse Osmosis (RO) plants to help ease water stress. We have installed rain water harvesting at a few of our plants which collect rain water for use and we have fully operational Effluent Treatment Plants (ETPs) for wet operations, except for one of our units for which plans are now being finalized. The Global Sustainability Head and Country Heads collect and submit data to the Board for review quarterly.



Emissions

Why It Matters? Reducing emissions, which directly contribute to climate change, is essential for long-term success.

Management Approach: Midas Safety has set a target to reduce GHG emissions by 20% by 2023. We have a three pronged approach of reducing fossil fuel usage, investing in renewable energy and modifying existing production processes to enhance efficiency. Our emissions policy demonstrates our commitment to climate change. In order to gauge the effectiveness of our approach, we monitor and report Scope -1, Scope-2 and Scope-3 emissions along with the outcomes of our projects which are approved by the Board.



Waste

Why It Matters? Reducing the negative impact on the environment and maintaining good community relations.

Management Approach: Our waste reduction strategy is aligned with our waste policy and commitment to continuously reduce waste to landfill. All waste is segregated, managed, and disposed of in compliance with local laws and regulations. We report on waste generated, sent to disposal, and diverted away from disposal. Our waste performance is reported to the Board every quarter. Midas Safety has geared up to reduce waste by 40% in 2023 with each business unit performance being monitored to effectively control waste generation and disposal.



Employment and labor practices

Why It Matters? Job creation for economic development, compliance with applicable laws

Management Approach: Midas Safety invests time and effort in nurturing human capital. Our HR and IR teams are instrumental in skill enhancement and protecting labor rights. Our policies not only signify compliance with applicable laws and regulations but also emphasize social responsibility. To measure effectiveness, our business units are audited using the SMETA 4 pillars, which includes labor practices and human rights.



Health & Safety

Why It Matters? Vital for continued operations, productivity and customer and employee health, in compliance with applicable laws

Management Approach: The Midas Safety HSE framework is designed to meet US Occupational Safety and Health Administration (OSHA) as well as regional regulatory requirements. Each region has an HSE lead who reports to the country's top executive. A monthly safety review is conducted at each business unit to assess safety-related indicators and analyze the effectiveness of the management system. Midas Safety reports safety performance in the Sustainability Report and is shared with the Board quarterly. Critical concerns are discussed in the Sustainability Core Committee.



Training and education

Why It Matters? A skilled workforce drives productivity, quality and profitability. Skill enhancement is critical to our operations.

Management Approach: We believe in the growth of our employees and encourage learning and development at all levels. We undergo 18 hours of training per employee per year and conduct evaluations at the country level to monitor its effectiveness. In order to ensure that training is conducted throughout the year, we monitor the number of hours in the Sustainability Report.



Diversity and equal opportunity

Why It Matters? Diversity brings enrichment of culture and ideas. Fairness and equal opportunities provide favorable environment.

Management Approach: We believe in diversity and inclusion, therefore have aligned our policies towards this. By 2023, we plan to achieve 40% gender diversity and 15% women in leadership. Our HR and IR leaders are monitoring the progress, which is in turn reviewed monthly by the country's leadership, and quarterly by the Board. Our grievance mechanisms and culture of openness allow fair working conditions with equal opportunity for growth. The performance management system is transparent with all information recorded in SAP® SuccessFactors. The Sustainability Core Committee evaluates the effectiveness of the actions taken.



Child labor

Why It Matters? Compliance with applicable laws, global labor conventions and customer requirements

Management approach: Midas Safety upholds local and international laws on child labor, including ILO conventions. We do not employ children, and all units maintain a database in which we ensure age verification. Third-party and internal conformity checks also validate child labor compliance.



Forced or compulsory labor

Why It Matters? Compliance with applicable laws and customer requirements

Management Approach: Midas Safety operates with fairness, zero compulsion, and an empowered workforce. We respect all applicable laws and regulations. Our internal controls and policies restrict forced labor.



Local communities

Why It Matters? Poverty alleviation, infrastructure development and investments in health and education, upholds our commitment to communities.

Management Approach: Midas Safety invests in local communities in different regions through non-governmental organizations and through donations to the government, where appropriate. This process is overseen by the Board CSR committee, which decides on key areas where donations and investment are directed. We believe in promoting health, education and skills development, disaster relief, community services, and women empowerment.



Customer health and safety

Why It Matters? Use of safe materials in product and packaging increases customer confidence.

Management Approach: Our material compliance systems ensure that our products are free from all restricted chemicals and harmful ingredients. A wide range of our products comply with the OEKO-TEX® 100 standard. Our compliance teams follow our conformity and testing protocols to monitor the effectiveness of actions taken.



PROMOTING INTEGRITY AND ACCOUNTABILITY

Our Code of Conduct outlines the behaviors and responsibilities required of each individual associated with Midas Safety. All employees are expected to demonstrate a high level of integrity and honesty in the execution of their assigned responsibilities. It is the personal responsibility of each employee to adhere to the standards and restrictions imposed by the laws, rules and regulations, including those relating to accounting and auditing matters. Our ethical standards which include the prohibition of corrupt practices and anti-competitive behavior are also reflected in our Supplier Code of Conduct.

The risks of corruption and corrupt practices are real in countries classified as high-risk in Transparency International's Corruption Perceptions Index. Our risk assessment framework also covers corruption and bribery risks. Through vigilance and precautionary measures, we maintain a high level of transparency, and our whistleblower policy and framework is designed to protect the identity of whistleblowers and help identify concerns. We comply with all anti-corruption and anti-bribery laws, as well as laws relating to competition and fair practices. In 2022, no public complaints were filed against Midas Safety or its employees. No anti-competition, anti-trust, or monopoly lawsuits have been commenced or are pending against Midas Safety in 2022.

“Integrity is integral to building trust. Honesty and accountability are fundamental to our success.”





SOCIAL

**PROMOTING
DECENT EMPLOYMENT**

LABOR RIGHTS

HEALTH & SAFETY

**GIVING BACK TO
COMMUNITIES**

PROMOTING DECENT EMPLOYMENT

At Midas Safety, we offer a fair and equitable work environment to all our employees in line with our corporate principles that promote empowerment, transparency, ethics, and merit.

All employees are encouraged to escalate or raise any issues related to our processes, ways of working and transactions to their line managers, HR or the leadership. Nevertheless, if they feel their concerns have not been addressed or have serious concerns that they cannot disclose openly, our whistleblowing policy provides employees an anonymous and reprisal-free channel to report violations of laws, code of conduct, malpractice, misrepresentation, conflict of interest, unethical behavior, and deficiencies in compliance and controls.

Our workers reside in the regions in which we operate. Hiring from local communities generates economic activity, alleviates poverty and promotes a better quality of life. We respect the principles of the United Nations Global Compact and believe in fulfilling all human rights and labor, economic, and environmental responsibilities. We do not hire temporary or part-time workers and all employment provided is full-time and permanent. Providing equal opportunities to both men and women is essential in developing a better culture based on fairness and equity and we ensure that the salaries and benefits are the same for both men and women.

We provide maternity leave to female employees as per the regional local laws. Male employees in the management cadre in Pakistan are also entitled to paternity leave.

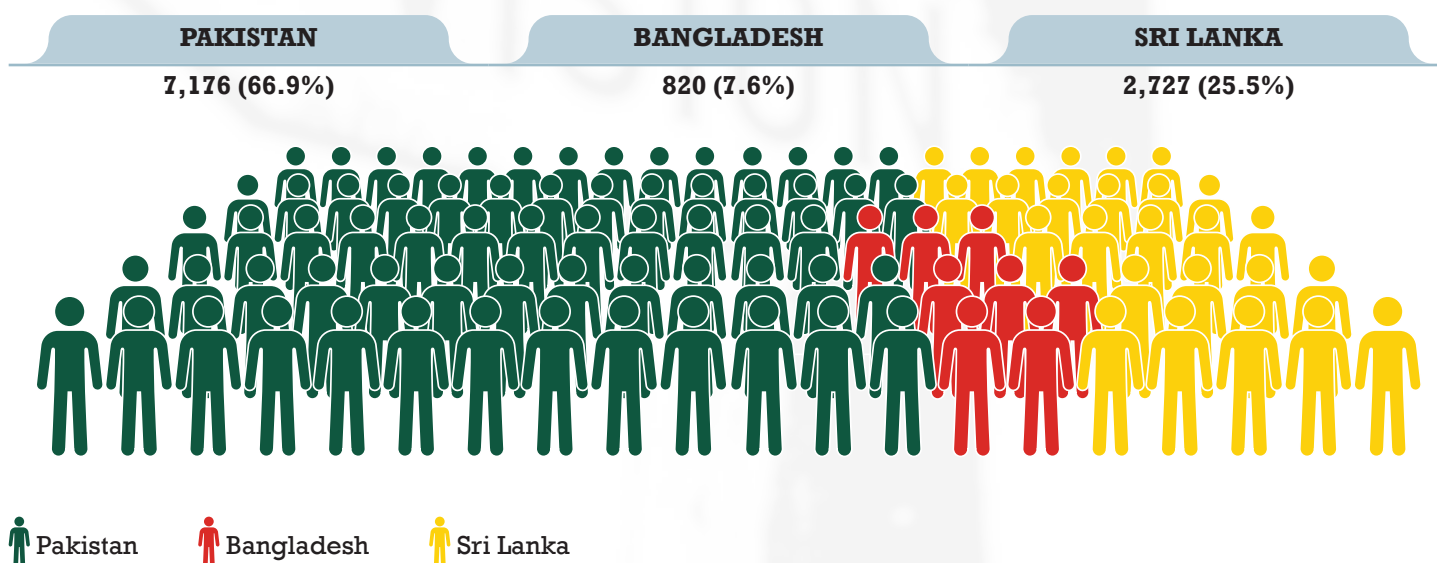
We report headcount at the end-of-period and there was no significant fluctuation in the number of employees during 2022.

All employees, including workers, are subject to performance evaluations and subsequent career progression decisions annually. The performance of management staff are assessed using SAP® SuccessFactors, while workers are evaluated on specified forms. One-on-one communications are encouraged, and regular refresher trainings on performance evaluations are carried out. Our systematic performance calibration system ensures fairness in the use of metrics for evaluation and assigned ratings versus performance.



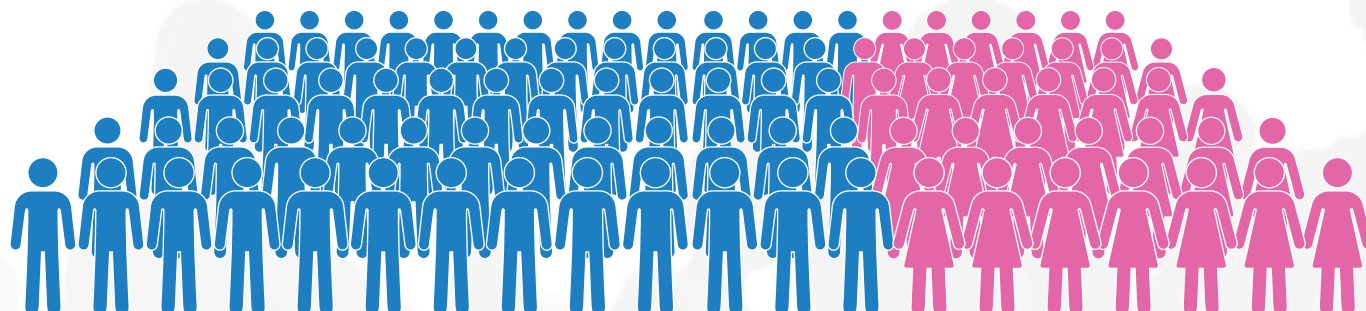
Headcount

(Total end-of-year headcount as of December 31, 2022, was 10,723)



Employees by employment type, contract, and by gender

	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Total	7,110 (66%)	3,613 (34%)	7,949 (69%)	3,837 (31%)	7,831 (68%)	3,638 (32%)



Male Female

2022	Under 30 years		30 – 50 years		Above 50 years	
	Male	Female	Male	Female	Male	Female
Management*	193 (70%)	83 (30%)	591 (87%)	91 (13%)	64 (94%)	4 (6%)
Workers	3,055 (70%)	1,328 (30%)	2,990 (60%)	1,979 (40%)	217 (63%)	128 (37%)
Total	3,248 (70%)	1,411 (30%)	3,581 (63%)	2,070 (37%)	281 (68%)	132 (32%)

* Officers and above

Management personnel made up 10% whereas workers made up 90% of the workforce in 2022. The above chart reflects head count for full-time permanent employees only as we do not provide part-time, temporary, or non-guaranteed hours employment.

Employees by employment contract and by region

	2022	2021	2020
PAKISTAN	7,176 66.9%	7,665 65.0%	7,446 64.9%
BANGLADESH	820 7.6%	1,095 9.0%	932 8.1%
SRI LANKA	2,727 25.5%	3,062 26.0%	3,091 27.0%



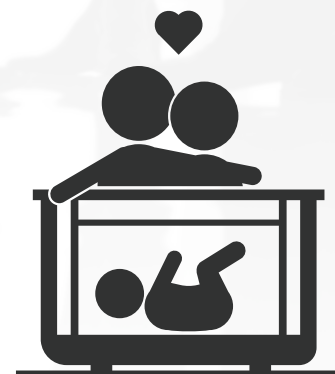
Hiring and attrition by age, gender, and region

	Hiring		Attrition	
Pakistan	Male	Female	Male	Female
Under 30 years	727 (57%)	555 (43%)	1,074 (66%)	551 (34%)
30 – 50 years	336 (42%)	462 (58%)	515 (55%)	421 (45%)
Above 50 years	24 (80%)	06 (20%)	20 (53%)	18 (47%)
Total	1,087 (52%)	1,023 (48%)	1,609 (62%)	990 (38%)
Sri Lanka	Male	Female	Male	Female
Under 30 years	971 (71%)	393 (29%)	996 (66%)	503 (34%)
30 – 50 years	231 (56%)	178 (44%)	332 (55%)	270 (45%)
Above 50 years	04 (67%)	02 (33%)	06 (46%)	07 (54%)
Total	1,206 (68%)	573 (32%)	1,334 (63%)	780 (37%)
Bangladesh	Male	Female	Male	Female
Under 30 years	434 (89%)	53 (11%)	592 (86%)	98 (14%)
30 – 50 years	30 (88%)	04 (12%)	60 (87%)	09 (13%)
Above 50 years	-	-	01 (100%)	-
Total	464 (89%)	57 (11%)	653 (86%)	107 (14%)
Midas Safety	Male	Female	Male	Female
Under 30 years	2,132 (68%)	1,001 (32%)	2,662 (70%)	1,152 (30%)
30 – 50 years	597 (48%)	644 (52%)	907 (56%)	700 (44%)
Above 50 years	28 (78%)	8 (22%)	27 (52%)	25 (48%)
Total	2,757 (63%)	1,653 (37%)	3,596 (66%)	1,877 (34%)

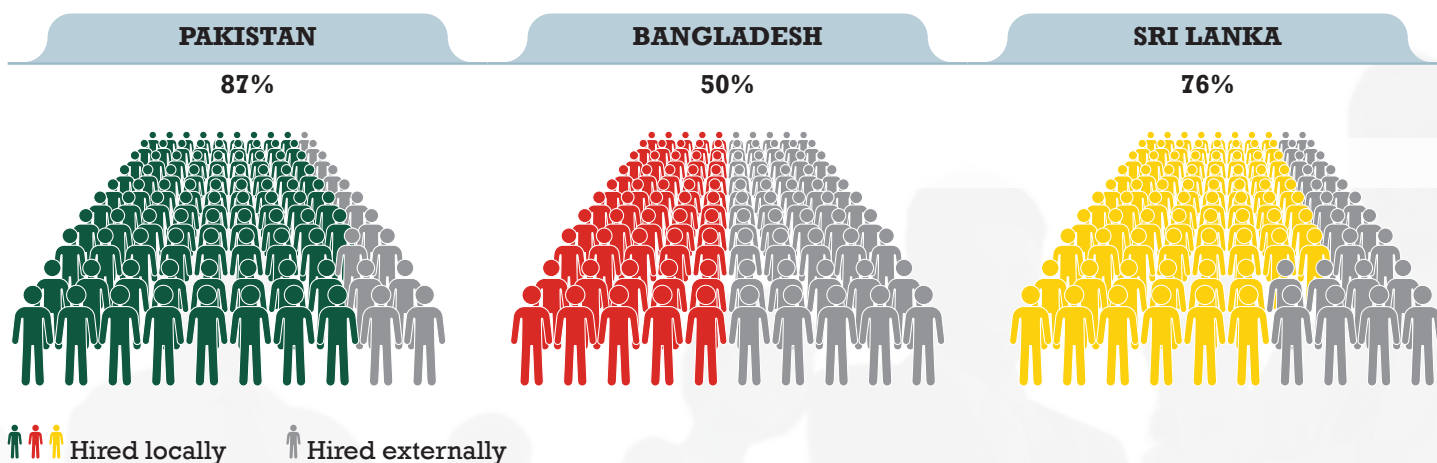


Parental leave

	Male	Female
Total number of employees that were entitled to parental leave	446	2,527
Total number of employees that took parental leave	57	68
Total number of employees that returned to work after parental leave ended	57	56
Return to work rate	100%	82 %



Senior Management hired from the local community



Our senior management is also hired from local communities. Speaking the same language, sharing values and understanding the culture makes it easier to adjust to the conditions and in communicating with the workforce. Details of senior management (manager and above) who are considered local community are as follows.

- In Pakistan, residents of Karachi and Faisalabad working in the same city.
- In Bangladesh, anyone from Chattogram.
- In Sri Lanka, residents of the Western province.

“We promote a professional and positive workplace with an inclusive working environment.”

Diversity and Inclusion

In 2022, gender diversity improved from 32% to 34%.

Gender Diversity

	2022	2021	2020
PAKISTAN	32%	30%	28%
BANGLADESH	23%	21%	22%
SRI LANKA	40%	42%	44%

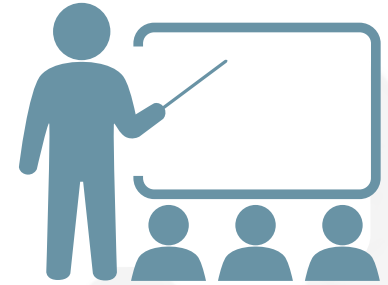
Women in Management (officers and above)

The participation of women in management increased from 15% to 17%.

	2022	2021	2020
PAKISTAN	13%	11%	10%
BANGLADESH	13%	11%	11%
SRI LANKA	30%	27%	30%

Talent Development

The development needs of management employees are identified while setting next year's objectives in SAP® SuccessFactors. At the beginning of each year, a training calendar is finalized and a training catalogue is provided to all line managers. The House of Learning and Development identifies the skill sets and training requirements necessary to meet the ever-changing needs of the workforce and trainings on structured programs are delivered through our team of in-house subject-matter-experts.



Trainings on environmental and social policies and grievance procedures are imparted to all employees through a mix of online, on-floor and classroom sessions. While functional trainings continued, our training hours in 2022 increased markedly thanks to greater focus on developing soft skills in workers.

In addition, a Talent Review and Succession Planning exercise is conducted to assess potential and capability of management cadre employees for future positions. These exercises also help identify opportunities for coaching, mentoring, cross functional trainings and development on leadership and functional skills required in next level roles.

Employees Training & Development

	Total Training Hours	Average Training Hours per Employee
Male		
Worker	119,806	23.76
Management	17,557	20.70
Female		
Worker	65,380	17.80
Management	2,963	16.74
Total	205,706	19.18

“We recognize that the potential of human achievement is limitless. We know that given the right environment and enablers, the impossible becomes possible.”

Workers who are not employees

Midas Safety hires third-party security and janitorial service providers who work full-time. There were no significant fluctuations in the end-of period head count.

	Male	Female
Total	551	86
PAKISTAN	409	21
BANGLADESH	61	8
SRI LANKA	81	57

Remuneration

Other than annual increments based on individual performance, management employees are entitled to a fixed and a business performance-based bonus depending on their function. The remuneration policy extends allowances and benefits in addition to loans and end-of-service gratuities. Diversity, Sustainability, and Health & Safety targets are directly linked to management KPIs.

LABOR RIGHTS

We are committed to protecting, acting on and improving the management of human rights and are against all forms of coercion, exploitation, and modern slavery. The manufacturing facilities we operate in different regions, and those of our suppliers, pose a risk of labor and human rights violations for which we have designed systems and processes that protect labor rights within our facilities and in our supply chain.

Managing Labor Rights

All regions have policies and procedures for managing labor and human rights, and follow local labor laws and ILO conventions. In 2022, no penalty or non-compliance with laws and regulations was reported. Since all our manufacturing sites are SMETA 4-Pillar members, they undergo independent third party social audits.

Child labor, forced labor, coercion, harassment, or any other form of discrimination is not permitted and the same is reflected in our Supplier Code of Conduct and supplier assessment systems. No incident of child or forced labor was reported in 2022.

Our security services are provided by third-party security agencies. Nevertheless, we provide training to security personnel to avoid use of force, inhumane or degrading treatment or discrimination, and how to conduct security checks that respect human rights. Out of a total 203 security personnel, we trained 149 individuals in 2022.

To keep the workforce engaged and motivated, any significant change that can impact the labor force is communicated well in advance. As per the separation policy, employees need to serve a notice period of 4 weeks when leaving the organization and the same applies to the organization.

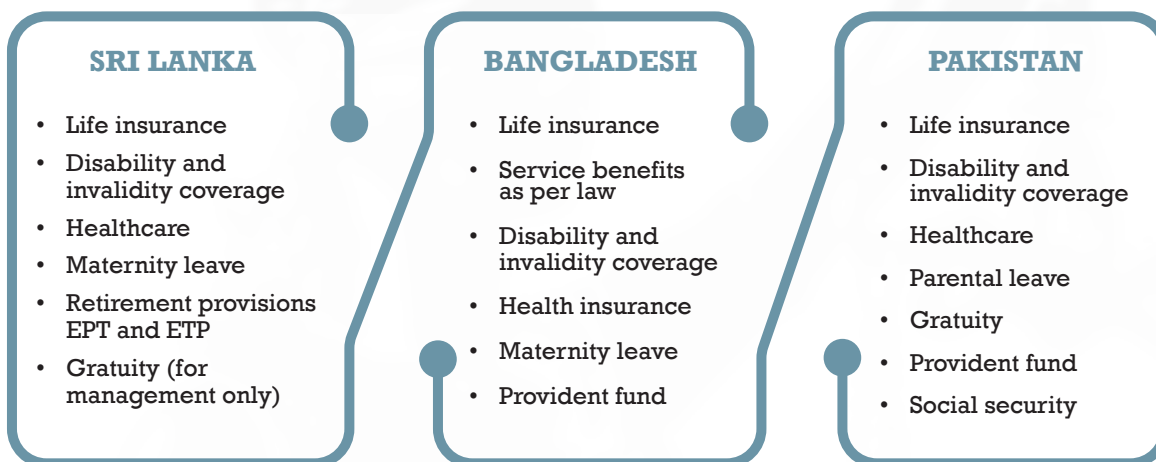
The entry level wage of male and female employees is the same, which is the minimum wage of the respective region. The ratio of entry level wage to minimum wage is 1:1. We ensure that 3rd party and contractors' employees get the legal wage through our contractual bindings. Our labor management policy and procedures framework includes the following areas necessary to safeguard human rights and reinforce our credibility as a fair and ethical employer while conducting responsible and progressive business.

Labor Policies

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Code of Conduct | <input checked="" type="checkbox"/> Working hours | <input checked="" type="checkbox"/> Salary & Wages |
| <input checked="" type="checkbox"/> Hiring Policy | <input checked="" type="checkbox"/> Protection Against Harassment | <input checked="" type="checkbox"/> Human Rights |
| <input checked="" type="checkbox"/> Disciplinary Action | <input checked="" type="checkbox"/> Training and Development | <input checked="" type="checkbox"/> Paternity leave (as per law) |
| <input checked="" type="checkbox"/> First Aid and Medical | <input checked="" type="checkbox"/> Separation from employment | <input checked="" type="checkbox"/> Maternity policy |
| <input checked="" type="checkbox"/> Leave Policy | <input checked="" type="checkbox"/> Transfer and Promotion | <input checked="" type="checkbox"/> Loan Policy |

Labor Policies (continued)

Each region has different legal requirements relating to compensation and benefits, and we comply with all of these stringently.



Worker Unions and Councils

We have registered labor unions in three units in Sri Lanka. In Pakistan, we have three units in the Karachi Export Processing Zone, where worker-management councils discuss workers' issues. In other units in Pakistan and Bangladesh, there are no registered unions, however, there is no restriction on forming unions and workers are educated on their rights to form unions.

Our amicable relations with the workforce is based on two fundamental pillars. Firstly, we actively promote an open culture where issues are discussed without reservation and addressed promptly. The other is that we have a reputation of responsibly providing all legal benefits and those which are industry/region norms to employees. In 2022, we devised a group-wide Supplier Code of Conduct which demands that our suppliers provide a conducive environment for forming unions and engaging in collective bargaining.



Grievance Management

We take grievances and especially those related to discrimination seriously and have started recording grievances as per regional labor laws and policies from 2022.



We have a systematic grievance handling mechanism where workers can approach the worker council head, collective bargaining agent or the management through direct call, suggestion box or any other means. Grievances are collected by respective HR and IR functions and issues are discussed with the Business Unit Head, General Manager and Country Head. The Country Head discusses critical concerns, if any, with the CEO and the Board.

HEALTH & SAFETY

We offer a healthy, hygienic, and safe environment to everyone who works with or even visits us for a short duration. We have adopted a proactive and structured approach to identify and address all health, safety, and hygiene risks. As an immediate measure, every manager is empowered and authorized to immediately stop any unsafe or unauthorized operation.

Each region has a well-established and implemented Health and Safety Management system and a comprehensive risk assessment framework, based on OSHA guidelines, best practices from world class organizations leading in safety and legal requirements including environmental laws and the permissible limits for effluent, emissions, working conditions and waste. In our Management of Change (MOC) process, relevant experts evaluate risks whenever incorporating a new machine or method, or changing an existing one. All aspects of operations, inputs, outputs, and processes are reviewed in a systematic manner. What-if analysis, failure mode, and cause-and-effect tools are used to identify risks and determine corrective measures. Employees at each location are trained in the risk assessment tools. Risk Assessment is reviewed every year and the significant risks are identified through the risk assessment tools.

Our floor-level committees are headed by safety leads consisting of line managers, workers and management personnel. Floor level meetings are conducted daily in which concerns, incidents, and potential hazards, are conveyed to the site HSE lead. Each business unit conducts a monthly safety committee meeting comprising of all management and chaired by the Business Unit Head, to discuss progress, gaps, feedback from employees, and actions. Basic health, safety, first-aid and firefighting equipment is available on each floor with trained staff, however, the Safety Committee can decide if further resources are needed.

Risk Mitigation Hierarchy



Elimination

Eliminating, or **physically removing a hazard** from a workplace, is the most effective stage of the hierarchy of controls.



Substitution

Substitution, or **replacing a hazardous item** or activity with something less hazardous, is the second-most effective stage of safety control.



Engineering controls

Engineering controls or designing purposeful solutions that physically **separate employees from hazards**, are the third-most effective stage of safety control.



Administrative controls

Administrative controls, or **changes to the way employees work** and perform processes, are the fourth-most effective stage of safety control.

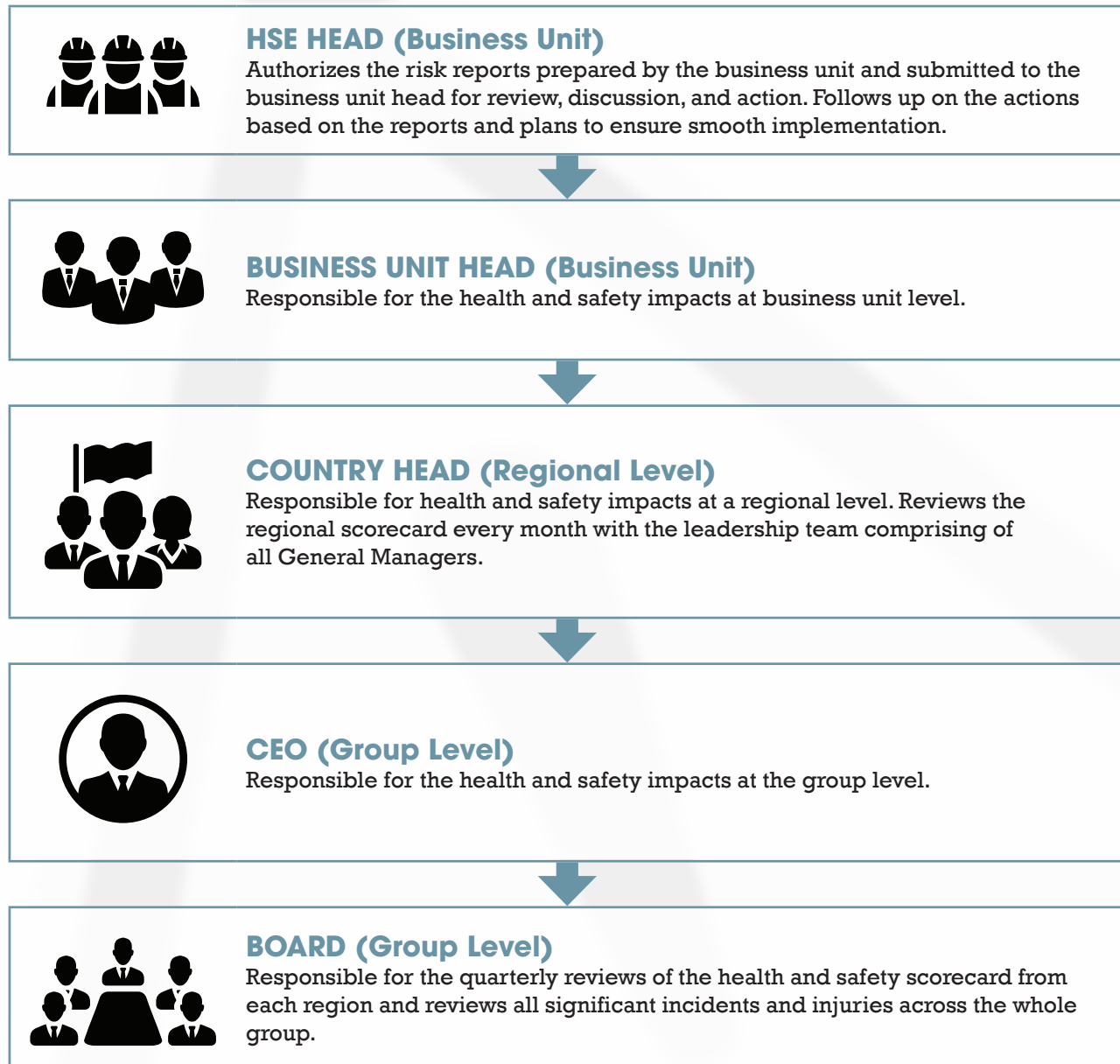


Use of PPE

Physical equipment worn or used by employees while they perform their work, are the fifth- or least-most effective stage of the hierarchy of controls.



Delegation of Health and Safety Responsibilities



In addition to promptly reporting potential workplace risks or occurrences to the HSE leads or members of floor-level committees, employees can also submit their concerns through suggestion boxes provided throughout all facilities. Our Code of Conduct prohibits any retaliation against any safety incidents reported, workplace accidents and potential hazards, or against employees who remove themselves from tasks they feel could affect their health or safety.

Our site safety manual contains information on evacuation procedures and safety rules. Emergency response procedures are implemented at each site with clear safety signs and evacuation routes. HSE leads conduct fire drills and emergency response exercises for firefighters and emergency response teams regularly. These repeated exercises prepare employees to take quick and corrective action, follow evacuation routes, reach the location of the assembly points, and verify headcount.

We provide both generic and specific on-the-job and classroom training on chemical handling, hazard identification and reporting, evacuation routes, emergency response, and incident investigation.

Third party workers (non-employees) are the responsibility of their principal employers after work hours. During work hours we take full responsibility for all 3rd party workers and provide medical care and include their ill-health or work-related injuries in our HSE records. For greater ownership, all injuries to contractors, visitors, or other such personnel are reflected in and impact the business units' safety performance. Work-related hazards include working at height, moving, and rotating parts, electrical safety, and general workplace hazards including, but not limited to, slips, trips, falls, working with chemicals, trolleys, and powered motor vehicles.



Our medical and healthcare programs e.g. health camps, screening checkups, awareness campaigns on smoking, tuberculosis, hygiene and safety talks, do not discriminate and include all personnel who work on our sites irrespective of the nature of their employment contract.

2022	2021	2020
30 work-related recordable injuries	22 work-related recordable injuries	38 work-related recordable injuries
Recordable injury rate 0.18	Recordable injury rate 0.12	Recordable injury rate 0.25

No cases of fatality, high consequence work-related injury or work-related ill-health were reported in 2020, 2021 and 2022. The injury rate has been calculated based on 200,000 hours worked.

All incidents are investigated through a comprehensive and structured incident investigation system. The HSE system is implemented, audited and reviewed by the Corporate Health and Safety committee. Our site safety protocols include Lock-out-Tag-Out (LOTO), hot and cold permits, working at height permits, management safety audits, machine guarding, movement guidelines, scaffolding guidelines and emergency stop protocols to reduce chances of accidents. Sites maintain safety-critical device lists based on risk assessments which also determines the hazards of the job and conditions of work. Each line manager ensures availability of the listed PPE on the operation floor, which is double-checked by independent HSE operational audits.

Our occupational health and safety management system, is based on OSHA, covers 100% of direct, full-time employees and third party workers. Each facility has an internal audit system in place that assesses the effectiveness of the health and safety management system twice a year. In compliance with the ISO 45001 Occupational Health and Safety (OH&S) Management System, five of our units undergo annual third-party audits. Hence, 5,508 employees, which represents 51% of the overall workforce (including both employees and workers who are not employees), are audited by a third party.

Based on exposure, our workers are tested for audiometry and spirometry and in 2022 our workers were screened at health camps arranged at the factories. Blood donor day is another step for helping healthcare and those who donate are provided with their blood reports.

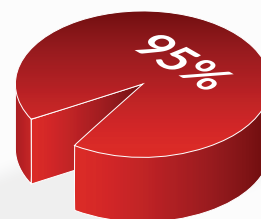


COVID-19 Vaccinations

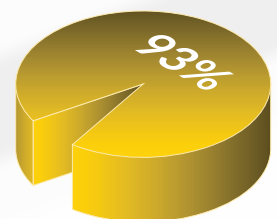
All the regions encouraged the workforce to protect themselves from COVID-19 and vaccination camps were setup at the factories and the offices to help all employees.



PAKISTAN



BANGLADESH



SRI LANKA

GIVING BACK TO COMMUNITIES

We are committed to supporting communities in the regions where we operate and worldwide, where we can identify causes and assess impacts. This is done to uphold the human rights and improve the social, economic, and environmental conditions in these areas.

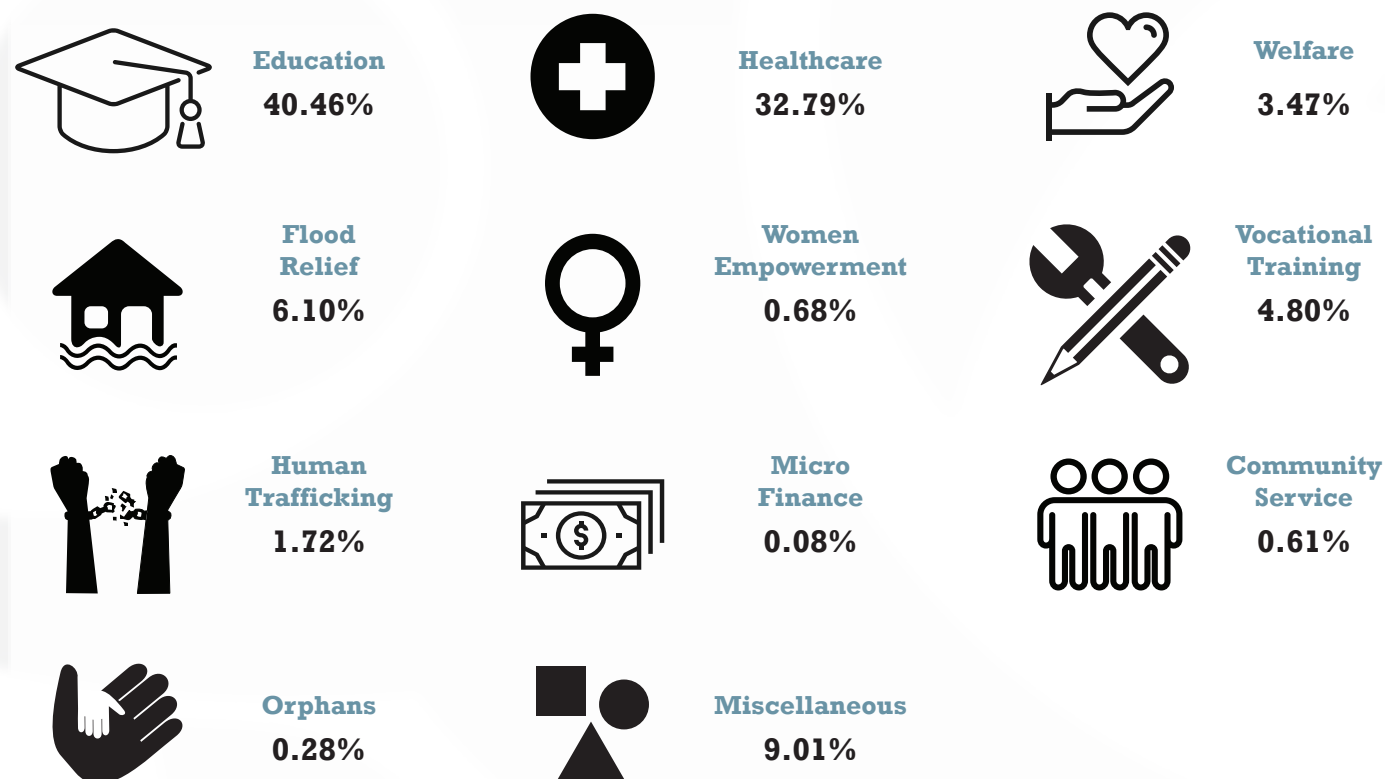
The Board has selected several causes that affect today's societies in line with our CSR Mandate which includes healthcare, education, vocational training, disaster relief, women empowerment, old age care, community service, and microfinance. Our CSR mandate sets our priorities and although there is no direct stakeholder engagement plan, we consult with organizations working in these fields to identify needs and communities to serve. We maintain relationships with numerous NGOs and benefactors engaged in selected social endeavors and partner with them to support their work and contribute to easing people's difficulties.

Our leadership teams in the 12 operations have put in place local community development programs based on the needs and impacts on society and the environment. They identify, recommend causes and new projects to the Board. On approval of a new project by the Board, the CSR committee monitors the performance and reports progress.

Our sites in Sri Lanka and Bangladesh are located in the designated export processing zones, which are controlled and not linked with the population. Similarly, in Pakistan, three units are in the export processing zone, and three are in industrial areas that are not directly connected. Two of our clothing division units are located near a population, however these have dry operations with no chemical treatment or heating/oven processes and the waste from these two units is sold out for recycling in the supply chain. Therefore emissions and water effluent have no significant direct environmental impact. Nonetheless, processes are in place to thoroughly investigate and address any concerns grievance reported by the local community.

We contributed US\$ 3.8 million to charitable causes in 2022, the breakup of which is provided below.

Sector-wise Distribution



Our CSR Partners



Education and Learning

In 2022, with the help of benefactors, we invested in several educational institutions to develop infrastructure, disseminate education, provide teacher's training, and cover administrative costs.

The Citizen Foundation is a non-profit organization dedicated to educating underprivileged children. Through its 1,833 schools, it provides education to about 280,000 students. We joined hands with the Citizen Foundation to support 2,096 enrolled students in 12 different schools.

Similarly, through our support the Indus Resource Center in Pakistan, imparted education to 1,999 children from underprivileged families, supported salaries for 50 teachers and maintained school infrastructure and fixtures.

We collaborated with the Friends Educational & Medical Trust (FE&MT) in Gilgit-Baltistan, to support 4,120 students and a further 439 students were supported through the Zainabiya Education Society, Nasra School, Pakistan, and Mussa Kassam Somji Foundation (MKS), Kenya.

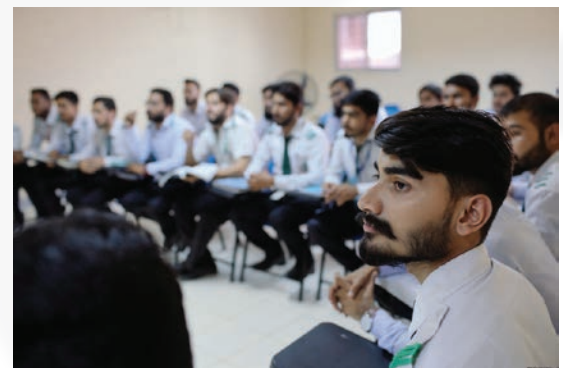
In Sri Lanka, we donated 30,000 medical examination gloves to De Soyza Hospital and contributed US\$ 20,779 towards the renovation of a ward and lunchroom facilities in a public healthcare facility in Avissawella. The repair of the ward is complete and the lunchroom refitting work is in progress. We also helped with the expansion of Janadhipati School, Avissawella and with the repair of the existing infrastructure.

Other than education for children, we also aspire to enhance knowledge, expertise and technical skills in professional healthcare institutions. The Indus College of Nursing and Midwifery (ICoNM) required support in the construction of a dedicated wing to impart professional training to nurses. The ICoNM will produce 200 male and female graduates annually and this number, which includes all types of nursing students, is expected to increase. The project estimated at US\$ 1.8 million is forecasted to complete by Q1-2024.

The Institute will offer the following facilities:

1. Teachers' Training Hall
2. Digital Library
3. Incubation Center
4. Makers Laboratory
5. Computer Laboratories
6. Advanced Technology Laboratories
7. Recording Studio
8. Collaborative Learning Space

We also pledged US\$ 0.23 million to establish the Mustafa Kassam Teachers' Training Institute at the Korangi campus of the Hunar Foundation in Karachi. The final installment was paid out in Q4 2022. The Institute aims to train 200 teachers on an annual basis in the technology, AI, and coding fields and thereafter, each teacher will impact 1,000 students per annum.



Flood Relief

Torrential monsoon rains triggered severe flooding in Pakistan in 2022 and impacted over 3 million people. Hundreds of homes, schools, public health facilities, and water systems were wiped out.

We encouraged employees to donate a day's salary or more and the response was overwhelming! The company matched the employee contribution of US\$ 9,536 to donate a total of US\$ 19,072 to the Akhuwat Foundation. With the help of the Indus Resource Center, Midas Safety also catered to the essential needs of food for 786 families through donations, and provided 60 tents for flood-affected areas.

Bangladesh was also affected by flash floods that impacted 4 million people in 2022. While the water levels started to recede, many households remained isolated and over 2500 cases of infections were reported within weeks. Through the Army and Coast Guards, our operations in Bangladesh dispatched 1000 relief packages to affected families amounting to US\$ 12,924.

The spirit of coming to the aid of unfortunate victims of natural disasters is a common find in our entities operating in different geographies. It is always uplifting to see the Midas Safety family come together and contributing generously to the impacted communities.



“Our social conscience encourages us to provide a hand to those in need and who are suffering. Lifting people out of hardship is both a responsibility and a privilege, and a cornerstone of Midas Safety's CSR strategy.”

Vocational Training

The Hunar Foundation offers vocational training of international standards to high school graduates and other young adults, assisting them in finding work and launching small businesses. Midas Safety's donation in 2022 supported the vocational training of 1,558 people. The trainings included beauty salon classes, housekeeping, call center trainings, computer classes, and skills development to help find jobs or start working at home.



Beauty course



Call Center training



Classroom training

Healthcare



To provide healthcare facilities to communities, we collaborated with various Non-Government Organizations (NGOs) and healthcare institutions.

Blood donation drives were conducted across Midas Safety Pakistan in collaboration with Indus Hospital in Karachi and Shaukat Khanum Memorial Trust in Faisalabad. We aim to increase the number of voluntary, non-remunerated blood donations, encourage employees to take part in such drives and provide opportunities to them to give back to society. We look forward to setting up similar donation camps across the country in the future as well.

The SINA Health, Education, & Welfare Trust and Midas Safety worked together to provide healthcare facilities for 10,000 patients in 2022. The SINA Health, Education, & Welfare Trust is constructing clinics in Karachi's low-income neighborhoods and offering free healthcare to people. We also contributed towards the treatment of 18,000 patients at Childlife Foundation, 2,500 patients at Agha Khan University Hospital, 2,523 patients at ZB Foundation, and 150 patients at Bait Ul Sukoon.

By collaborating with Layton Rahmatullah Benevolent Trust (LRBT), Pakistan's largest non-governmental organization working to fight blindness, we aim to help underprivileged patients fight against eye ailments and live a healthy and prosperous life. LRBT offers free medication, treatment, and surgery to patients in need.

A donation of US\$ 138,000 provided 7,640 chemotherapy sessions to pediatric oncology patients at the Indus Hospital in Karachi.



Infrastructure Development

Given the population expansion and increasing urbanization, particularly in Karachi, there is a lack of quality medical facilities. We contributed to the construction work at the Indus Hospital Health Network (IHHN) to improve the infrastructure and support health services.

To further develop infrastructure and foster health services, Midas Safety also invested in construction activities at ICoNM. The Ismat-Kassam nursing school at ICoNM aims to improve the quality of education and training being imparted to nurses and health care practitioners.



Other Community Services

We provided food rations to 605 families, funded higher education for 15 people, granted 216 small business loans, helped 172 widows and 60 orphans, and with the help of the Hyderi Benevolent Trust, we provided health insurance to 474 widows and an additional 380 people living in absolute poverty.

Through the Ismat Kassam Women Empowerment Program (IKEWP), Tanzania, we supported 13 women under our women's empowerment initiative.

We collaborated with regional organizations in Sri Lanka and Bangladesh to clean the seaside and waterways. In Sri Lanka, we volunteered in the "Zero Plastic" movement, working to bring about behavioral change in the citizens to reduce plastic waste while building demand for alternative materials. In Pakistan, we joined hands with the World Wildlife Fund (WWF) to clean up the shoreline and plant mangrove saplings. Employees also celebrated the Go Green campaign by planting seedlings across businesses on the World Environment Day at which the President of the National Forum of Health and the Environment (NFEH), was invited as an honored guest.

Employee Engagement and Wellbeing

To promote a healthy and vibrant culture that engages employees and makes them feel valued, different engagement activities are planned to encourage learning and collaboration. For employee well-being, different programs were conducted in 2022. We partnered with Sehat Kahani and Essa Lab for a wellness week which included physical examinations, blood tests and sessions with nutritionists and mental health specialists. On world mental health day, awareness sessions for 700 management and non-management employees sessions focused on mental hygiene, eating disorders, and managing stress and burnout. Lastly, awareness sessions were conducted on the World Breast Cancer Day to educate 2,000+ female employees on the importance of annual screening.



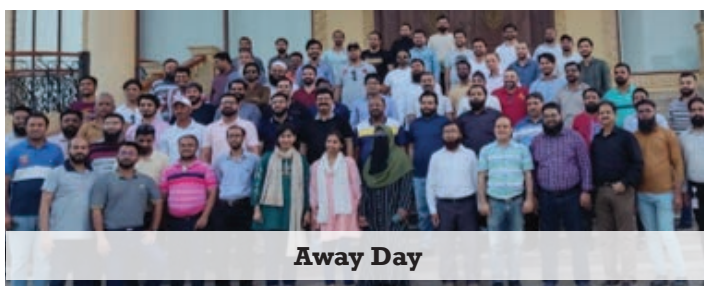
Health & Safety Week



Fruit Festival



Annual sport activities



Away Day



Women's Day



Earth Day



Employee Appreciation Day



Health Camp



World No Tobacco Day

Pakistan



Sri Lanka



Bangladesh





ENVIRONMENTAL

CLIMATE AND ENERGY

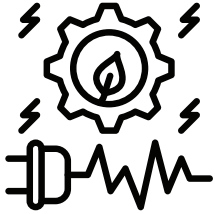
**ECO-FRIENDLY
PRODUCTS AND PACKAGING**

**SUSTAINABLE
SUPPLY CHAIN**

CIRCULARITY

CLIMATE & ENERGY

Project-Related Impacts - 2022

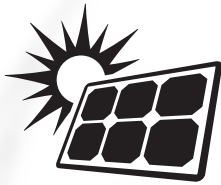


9,144 GJ
Reduction in
energy consumption



1,315 Tons CO₂e
Reduction in
GHG emissions

Energy - GHG



1,420 MWH
Energy saved
through renewable
energy projects
(solar)



3,826 KWH
Energy saved through
renewable energy pilot
project (wind)

- Replaced non-inverter ACs with inverter based ACs.
- Replaced ceiling fans with efficient AC/DC fans.
- Installed modulating burners to save natural gas.
- Converted indirect fire burners to direct fire burners, ensuring less heat loss.
- 138 HCFC equipment replaced.
- Installation of 382 KW solar power system in 2022 to reduce 855 Tons of CO₂e.
- Installed two low capacity wind turbines.
- Replaced old lighting with energy efficient LED lights.
- Installation of VFDs.

Water

- Installed additional 10 m³/hr rainwater harvesting plant in Bangladesh.
- Leaching tank modification to save water.
- Collected AC condensate for reuse.
- Installed sensor taps to conserve water.
- Used RO rejected water for domestic purposes.
- Showering flow adjustment to save water.
- Hydrant discharge used for irrigation.
- Installed a new washer extractor, consuming less water.
- Utilized spent water after treatment for cleaning.

Material, Product & Packaging

- Using recycled polyester extracted from waste PET bottles in products.
- Replacement of flammable solvent with water in production to reduce hazardous chemical consumption.
- Reduced use of plastic through innovative packaging options.
- Increased use of recycled paper and recycled plastic in packaging.

Waste

- Reusing empty cones and cartons inhouse to reduce consumption.
- Progressing towards a paperless environment, and going digital in reporting and record keeping.
- Food waste is considerably reduced through awareness campaigns.
- Reclaimed material from waste, such as iron bars and wood to make useful products.
- Used yarn bags internally to curb consumption and reduce waste.
- Stretch plastic films used for securing pallets is reduced.

Managing Impacts

Climate change is a key concern. Towards the end of this century, nearly 70 gigatons of carbon emissions will result in global temperatures rising by 3-4 °C* - it is therefore necessary for us to act now.

At Midas Safety, we have developed an environmental grievance procedure and promote initiatives to encourage environmentally friendly business practices. We are committed to observing local laws and our internal processes are designed to ensure legal compliance.

With a strong belief that good infrastructure and equipment lead to better environmental control, we have invested in advanced eco-friendly technologies to upgrade our systems, ensuring better management of water, waste, emissions, and energy, as well as to measure, monitor, record, and control environmental aspects at our operating sites. Through a structured review process, this environmental data, prepared by each business unit, is reviewed monthly by General Managers, Regional Heads of Sustainability, and with the Global Head of Sustainability. Progress on sustainability targets is reported monthly to the Sustainability Council & Core Committee and quarterly to the Board. Actions derived from reviews and discussions are implemented by each operational site.

We are partnering with our suppliers on environmental stewardship and our Supplier Code of Conduct is a shared commitment. We conduct regular supplier assessments and screen our key suppliers. This assessment process will help form the basis to develop our future strategies for environmental stewardship in the supply chain.

Our stakeholders expect us to be a responsible consumer and producer of products, eco-friendly sourcing helps us meet that expectation. We have chosen a base year of 2020 for which reliable data was available.

At each operational site, environmental impacts are recorded and monitored to have information readily available for our stakeholders. Organization and arrangements are in place to ensure that any significant environmental impacts and grievances are managed and mitigated. In 2022, none of our operational sites reported any penalties for non-compliance with environmental laws.

**(Intergovernmental Panel on Climate Change (IPCC) report Climate Change 2022 - Mitigation of Climate Change - summary for policymakers).*

Mitigating Risks

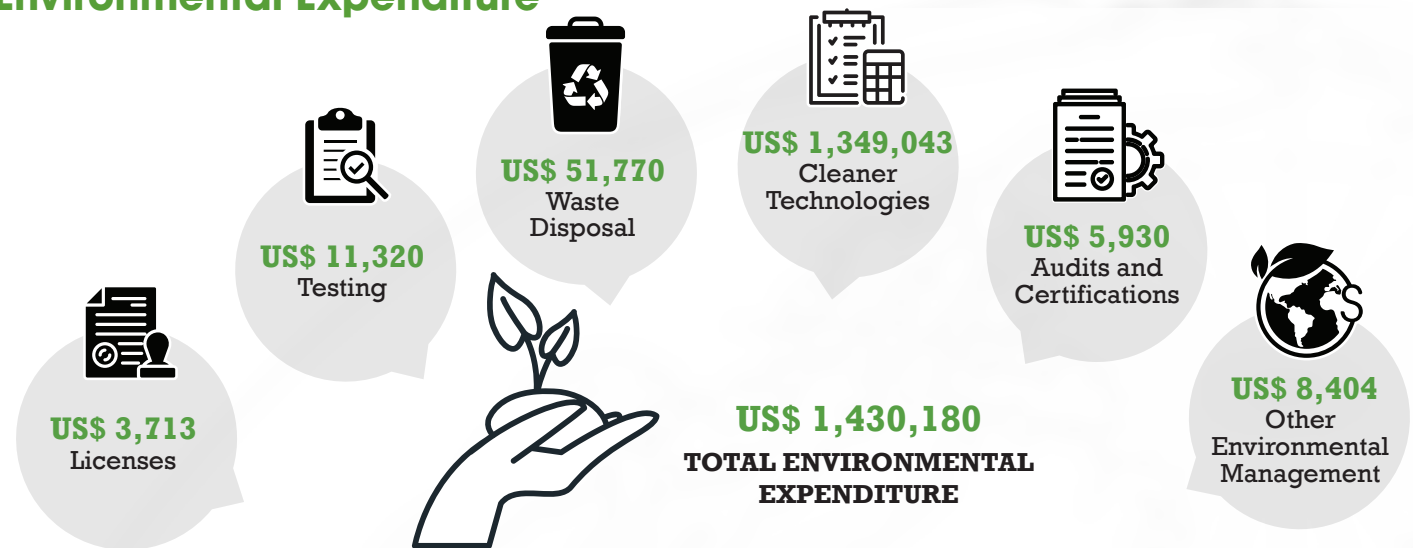
We have a structured model to identify, assess and analyze risks and to formulate mitigation strategies. Applying a precautionary approach for risk identification and mitigation is key to preventing potential harm to people and the environment.

Each year, our business units conduct the Enterprise Risk Management (ERM) exercise using specific tools and a structured process to identify the top risks and then preparing mitigation plans. Status of the actions and progress against plan is reviewed periodically with the Board.

HSE risk is monitored year-round by using well established HSE tools and procedures. The leading and lagging indicators are recorded and presented to the management every month in a safety committee meeting where preventative and predictive measures are decided upon and actioned.



Environmental Expenditure



Water

Water that we use and the availability in some of the areas in which we operate, especially in Pakistan, make water a critical subject to address. Pakistan is classified as having high-to-extremely-high water stress, according to the Water Risk Atlas (www.wri.org/applications/aqueduct/water-risk-atlas). Sri Lanka and Bangladesh have low-to-medium water stress.

For water accounting, metering is used to measure ground water, while billing is used for municipal and other third-party water. We withdraw water from surface, ground, and third-party sources. Rainwater harvesting is used to obtain surface water, which is freshwater. In addition, we use tankers from independent third-party water providers, but most of the third-party water originates from regional municipal sources. Surface freshwater makes up all the third-party water. We have bore holes in a few of our units from which we draw groundwater.

Leaching and washing activities consume the most water at our plants. Out of 12 manufacturing units, six have dry operations, where water is used for domestic purposes only. In Bangladesh, all the wastewater is processed by the Chattogram Export Processing Zone as per the legal requirements, while in Sri Lanka, we have Effluent Treatment Plants (ETPs). Water testing, both on withdrawal and discharge, is done on a regular basis to ensure compliance. A new ETP has been installed in one of our units in Pakistan in 2022 which will help us recycle water and reduce our freshwater usage. No water sources are affected by wastewater in any of our locations. Our process wastewater goes into the industrial drain after proper testing to meet local discharge requirements.

Water consumption was lower in 2022 as compared to 2021, water consumed per unit of production in 2022 has decreased against the baseline year 2020. In 2022, we added three groundwater wells in Pakistan to ensure supply continuity. The sub-surface water has a high total dissolved solids count and requires Reversed Osmosis (RO) for purification. The overall water withdrawal is increased as the RO plant discards the brackish water.

All the sites that use water for industrial purposes test the water discharge to ensure that it is within the local environmental permissible limits. Where we do not have a water treatment facility, we are monitoring discharge and planning to setup systems ensuring legal bindings by 2025. Through testing, environmental risk assessment, and the input of internal stakeholders, we identify water-related impacts.

WATER	UoM	2022	2021	Baseline 2020
Withdrawal				
Total water withdrawal	Megaliters	1,197	1,502	1,513
Surface water				
Fresh water (≤1,000 mg/L total dissolved solids)	Megaliters	0.8	-	-
Other water (>1,000 mg/L total dissolved solids)	Megaliters	-	-	-
Ground water				
Fresh water (≤1,000 mg/L total dissolved solids)	Megaliters	-	-	-
Other water (>1,000 mg/L total dissolved solids)	Megaliters	422.2	331	340
Third party water				
Surface water	Megaliters	774	1,171	1,173
Water intensity				
Production	Eq. dozen pairs	73,149,047	94,766,948	83,870,828
Total water intensity	Liters/DP	16.37	15.90	18.50

Together with minimizing water use, our sites have undertaken initiatives for water conservation. Chattogram, Bangladesh, averages 9 inches of rain per month. Therefore, we installed two rainwater harvesting plants of 13 m³ per hour capacity. In 2022, 795 m³ was collected through rainwater harvesting. There were no significant spills in 2022.

“Water is a shared resource. We recognize and strive to contribute towards water conservation and responsible use.”



Energy Consumption

We are very keen to cut down energy use and increase the generation of renewable energy. Our major source of non-renewable energy remain fuel oil, natural gas, diesel, and purchased electricity from the national grid. We have installed 1.414 MW solar panels. Our total energy has been reduced by 5% in 2022 with respect to baseline year 2020.

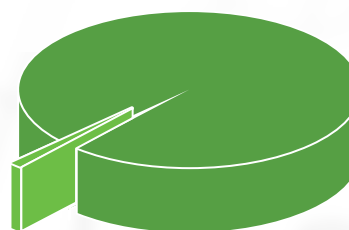
ENERGY	UoM	2022	2021	Baseline 2020
Energy consumption within the organization*				
Energy consumption	Gigajoules	1,169,559	1,414,359	1,231,845
Energy consumption from renewable sources (solar, wind, biomass)	Gigajoules	618,292	643,226	514,087
Energy consumption from non-renewable sources	Gigajoules	551,267	771,133	717,757
Percentage of renewable energy	%	53%	45%	42%
Electricity consumption	Megawatt hour	61,198	59,013	46,766
Energy consumption outside the organization*				
Energy consumption	Gigajoules	297,138	210,498	206,726
Energy Intensity				
Energy intensity within the organization	GJ/DP	0.0159	0.0150	0.0147

* Conversion factors are taken from US Energy Information Administration (EIA) for energy consumption within the organization, while for energy consumption outside the organization factors are taken from the US Environmental Protection Agency (EPA).

Since we are an export business and many of our raw materials are imported, our energy footprint outside the organization is significant.

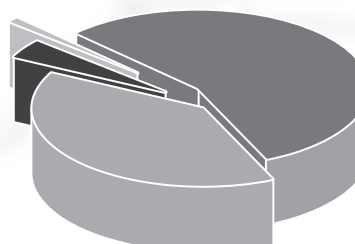


Renewable Energy



Biomass = **99%**
Solar and Wind = **1%**

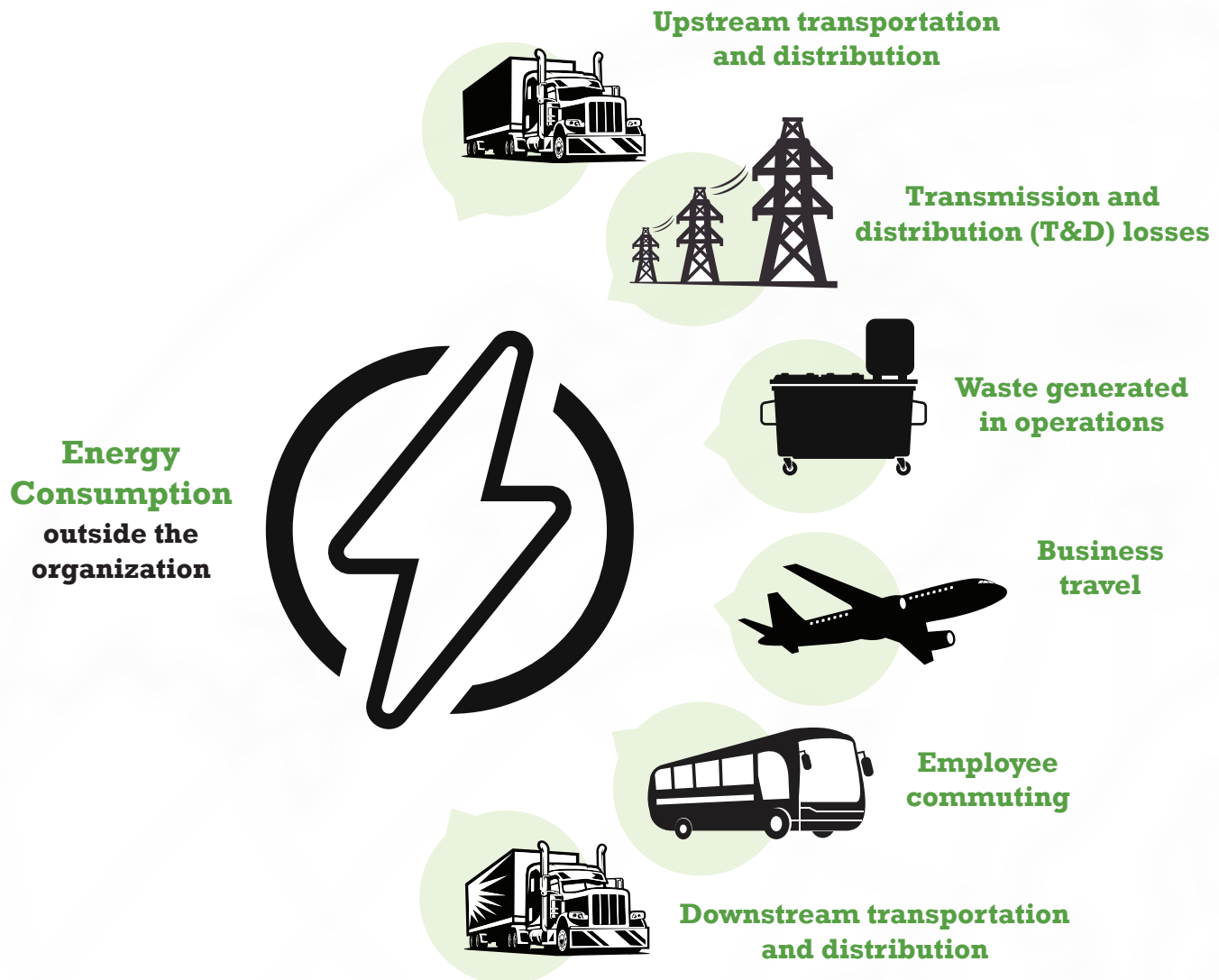
Non-Renewable Energy



Gas = **56%**
Electricity = **39%**
Diesel = **4%**
Others = **1%**



Energy Consumption (continued)



For energy intensity, we have chosen Dozen Pairs (DP) of gloves as a metric because our major product is industrial safety gloves. All other products, i.e., yarns, fabrics, and clothing, are converted into equivalent DP by taking weight into account. The energy used within the organization, including both renewable and non-renewable sources, is considered while calculating energy intensity in GJ/DP.

The reduction in energy consumption projects in 2022 involved reduction in electricity, diesel, and natural gas. 2021 is taken as the base year for measuring the reduction in energy consumption, establishing systems to monitor energy reduction.

The reduction in use of natural gas through the installation of direct fired burners and modulating burners is calculated using the historical data from previously installed equipment.

For electricity, the reduction is calculated based on the declared load of the equipment installed. We have backup power through diesel generators where we installed an ENcombi, a PV hybrid energy management system, that links solar power with a diesel engine. The ENcombi saves diesel by bridging the gap between solar power and the diesel generator needed to run a power plant. The diesel saved is calculated based on consumption in liters per KWH before and after installation of ENcombi.



Emissions

GHG emissions are directly linked to the type of fuels that we use. Due to supply disruptions in the energy sector in Pakistan, our energy mix changes between purchased grid electricity and self-generation through fossil fuels. There is a growing appreciation to achieve Net-Zero emissions by 2050. In Pakistan, we are signatories and are working towards Science-Based Target Initiatives (SBTi). We will be working closely to set both short and long-term targets in line with a 1.5°C reduction goal.

GHG EMISSIONS	UoM	2022	2021	Baseline 2020
Total GHG emissions	Tons CO₂ eq.	55,838	79,161	72,864
Scope 1	Tons CO ₂ eq.	24,885	41,818	38,299
Scope 2	Tons CO ₂ eq.	20,176	22,554	20,040
Scope 3	Tons CO ₂ eq.	10,777	14,789	14,524
Production	Eq. dozen pairs	73,149,047	94,766,948	83,870,828
GHG emission intensity	Kg CO ₂ /DP	0.757	0.835	0.870
Biogenic emissions (Biomass)				
Biogenic CO ₂ emissions	Tons CO ₂ eq.	4,028	5,296	4,149

Conversion factors are taken from US EIA and UK DEFRA. All GHG gases are included in calculations, mentioned as CO₂ equivalent.

NOTE:

- GHG emissions are reported according to the GHG Protocol Corporate Accounting and Reporting Standard issued by the World Business Council for Sustainable Development. Emission factors were sourced from DEFRA's Environmental Reporting: Guidelines for Company Reporting on Greenhouse Gas Emissions (2020) and United States Environmental Protection Agency (EPA) emission factors for GHG inventories. The base year for emissions is 2020, for which reliable data was available.
- For electricity related carbon estimations, location-based emission factors from reports of electricity regulation authorities from Pakistan, Sri Lanka, and Bangladesh are consulted.
- GHG emission intensity includes all the GHG inventory including scope 1, scope 2 and scope 3 emissions reported in the table above.

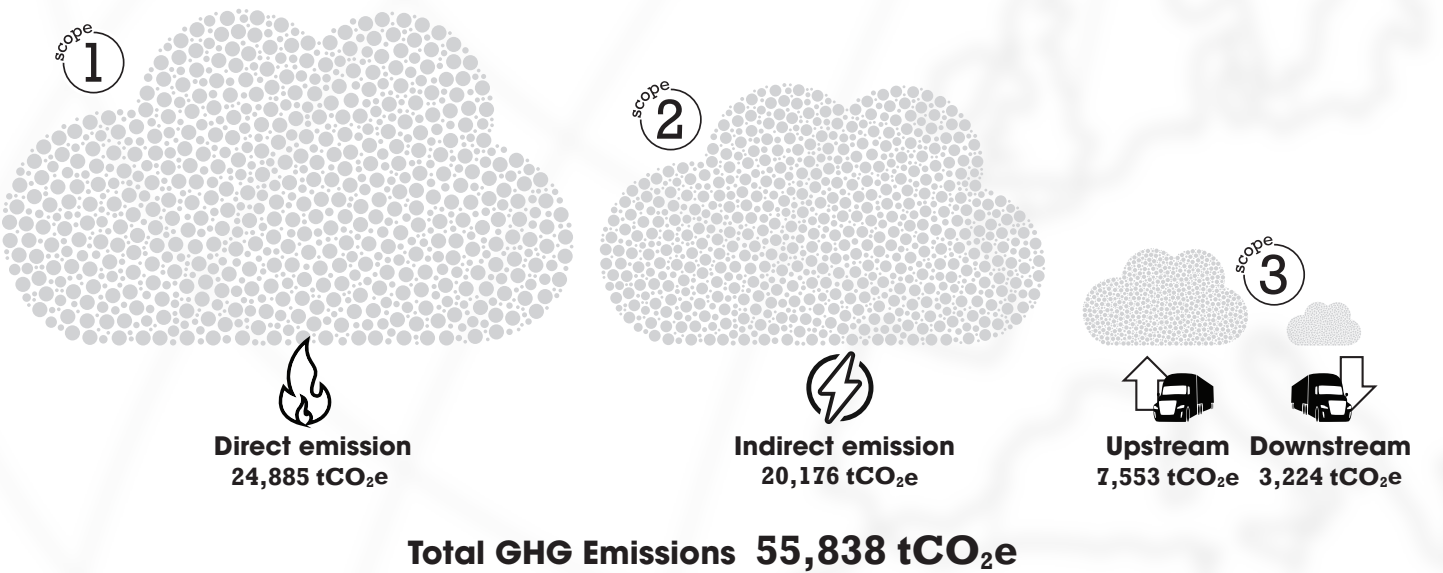


Managing Air Emissions

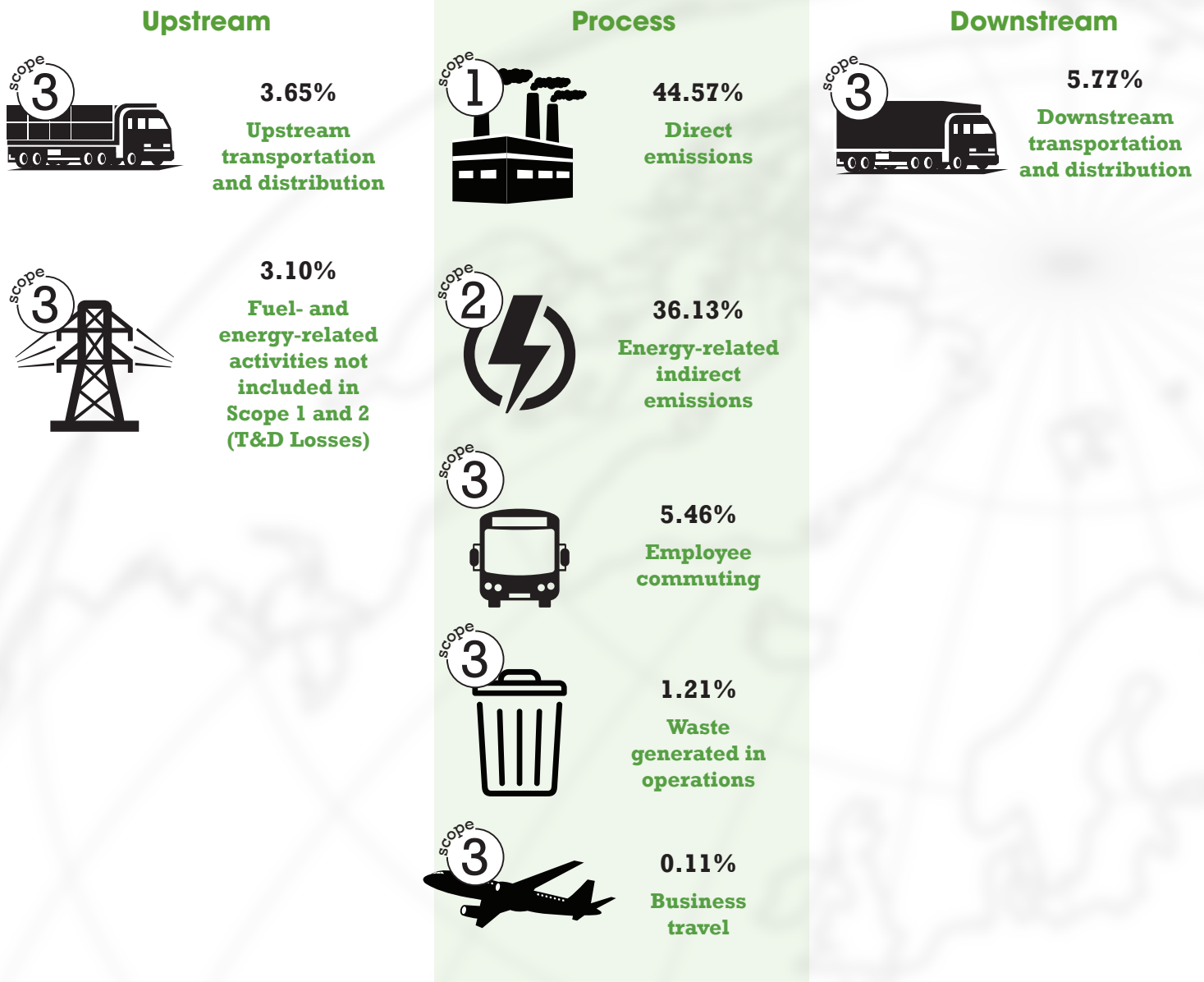
We monitor air emissions at regular intervals across all business units with each unit following applicable environmental laws. Our air emissions are within legal limits and in 2022, our factories emitted 0.09 kT of nitrogen oxides (NOX), 0.01 kT of sulfur oxides (SOx), and 0.11 kT of Particulate Matter (PM). The amount of air pollution emission was calculated by fuel consumption, with reference to the method of the US EPA. We are committed to eliminating all HVAC systems where ODS gases are used, these gases include R-22, R-141B, and R-12. In 2022, we used 3.19 tons of CFC-11 equivalent, and we aspire to bring it to zero by the end of 2023. Conversion factors are taken from the US EPA for CFC-11 equivalence calculations.

		Emissions
TOTAL GHG EMISSIONS		55,838 tCO ₂ e
scope 1	Scope 1 – Direct emission Direct emissions from the fuel combustion of stationary mobile sources as well as from wastewater discharge.	24,885 tCO ₂ e
scope 2	Scope 2 – Indirect emission Indirect emissions from electricity.	20,176 tCO ₂ e
scope 3	Scope 3 – Upstream Upstream transportation of goods, employee commuting, waste, electricity line losses, and business travel.	7,553 tCO ₂ e
	Scope 3 – Downstream Downstream transportation of goods.	3,224 tCO ₂ e

In 2022, Midas Safety completed 41 projects to reduce our energy consumption, saving 9,144 gigajoules of energy, which accounted for a reduction of 1,315 tons of carbon dioxide emissions. Through these projects, GHG emissions were reduced on both the direct (scope 1) and indirect energy (scope 2) emissions, with scope 1 reduced by 34 tons of CO₂e and scope 2 reduced by 1,281 tons of CO₂e in 2022. The reductions are provided in comparison to the baseline for 2021, for which reliable information was available. The method and assumptions for the calculations are the same as those for the reduction in energy consumption provided on page 53.



GHG Emissions Throughout the Supply Chain



Note:



Scope 1:

Direct emissions from the fuel combustion of stationary and mobile sources as well as from wastewater discharge.



Scope 2:

Indirect emissions from electricity.



Scope 3:

Upstream and downstream transportation of goods, electricity line losses, waste, business travel and employee commuting.

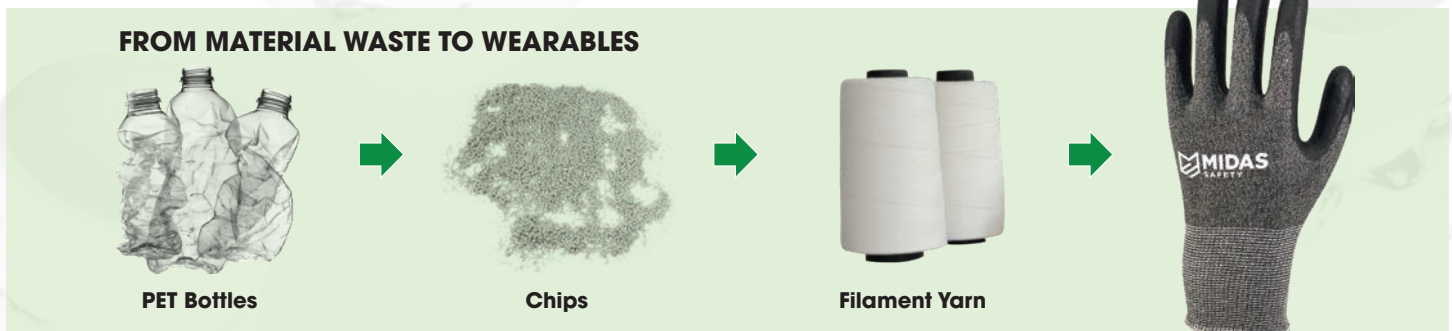
ECO-FRIENDLY PRODUCTS AND PACKAGING

While efficient use of materials is necessary to drive profits and excellence, use of eco-friendly materials has become critical in almost all sectors. We have taken several steps in 2022 to advance our sustainability strategy and towards reaching our 2023 sustainability goals. We strongly believe in safeguarding our workforce during production and our customers during use, against any harmful effect or exposure of chemicals that are used in our products. Our teams closely coordinate with customers, suppliers, and other relevant stakeholders to evaluate and manage any potential health, safety, and environmental concerns arising from our products and packaging.

We respect intellectual property rights, customer privacy, and protects all information and samples with compliance and responsibility. No breach of customer privacy, leak, loss, or theft of customer data occurred in the reporting period.

Developing Eco-Friendly Products

Our R&D teams perform risk assessments when developing eco-friendly products. Testing, conducted both internally and by external testing agencies, help us screen products before they enter the market. All products go through an elaborate stage-gate process before launch. We continuously learn and evolve through successful and unsuccessful product launches. Learnings are captured and applied in subsequent R&D projects.



Sustainable Raw Materials

We have our own fiber and waste processing units in Pakistan where recycling is done to produce spun yarn. During 2022, our recycling operations produced 10,723 Metric Tons of spun yarn from waste fabric cuttings, waste yarn, and soft waste of fibers. This is mostly because of the increase in demand within our factories as well as socks, denim, and hosiery industry that we sell the yarn to. We use organic and sustainable cotton in our products and our spinning unit has Better Cotton Initiative (BCI), Organic Content Standard (OCS) and Global Organic Textile Standard (GOTS) certification. In addition, we use raw materials and products certified by the Global Recycled Standard (GRS) and the Recycled Claim Standard (RCS).

Sustainable Chemical Usage

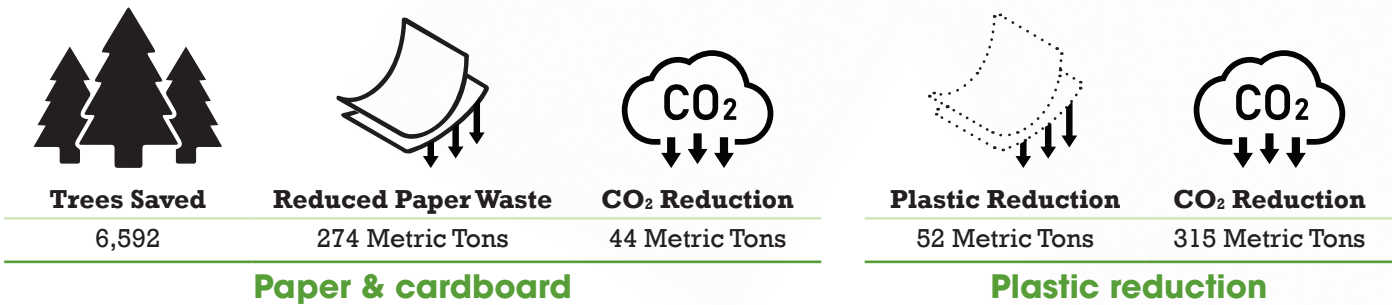
To ensure compliance against hazardous chemicals, we follow EU REACH (Registration, Evaluation, Authorization and restriction of Chemicals) and California Proposition 65 regulations. Protecting our customers against harmful chemicals is our prime responsibility, and both OEKO-TEX® Standard 100 and Global Recycle Standard are fully complied with by the chemicals we use in our operation.



Sustainable Packaging

Products from our factories need the right packaging to be properly contained and preserved when trans-
porting to customers globally. In 2022, we used 494 Metric Tons of sustainable packaging material, including cardboard boxes, header cards, plastic wrapping, paper wrapping etc. When compared to the 2020 baseline, our overall packaging intensity reduced by 18%.

Our focus remains on reducing plastics through offerings sustainable packaging, reducing overall packaging weight, and increasing recycled and recyclable materials. In 2022, our sustainable packaging solu-
tions helped us get closer to our goal of environmental stewardship.



Product Safety

Our Product Management team ensure that all products are assessed for suitability, acceptability, and safety. They work closely with the R&D and Quality teams of each business unit through the extensive stage-gate process for product development. Product Data sheets are prepared for each product specifying the applications and usage criteria.

Trial runs include making prototypes, testing in laboratories, physical usage, and on-plant validation before mass scale production begins. Product safety is built into our product development process. All of our products are assessed for health and safety impacts and we make sure that no harmful ingredients are used in our products.

We have well established complaint handling procedures which ensures detailed investigation of any product safety and quality issues. All critical product safety and quality concerns are reported to the Board on a quarterly basis. In 2022, no product safety inquiries were conducted as none were raised.

Marketing and Labelling

We declare all relevant information on product labelling and immediate packaging to help customers and end users in the selection of the product. Since each region in which we export goods have their own set of rules, we ensure compliance accordingly. In 2022, no incident of misinformation or wrong declaration relating to marketing and labelling was reported.



Midas Safety Eco-Friendly Products



eco-friendly Splendor™

Our flagship eco-based glove containing 42% recycled yarns, composed of polyester and cotton, plus a natural rubber coating.

Contains 42% RCS Certified Recycled Polyester. Certified by Control Union CU1119762



eco-friendly Splendor™ Winter

A winter version of our eco-based glove containing 59% recycled yarn composed of polyester, cotton and regenerated viscose, plus a natural rubber coating.

Contains 59% RCS Certified Recycled Polyester. Certified by Control Union CU1119762



eco-friendly Splendor™ Lite

A 90% recycled polyester version of our flagship eco-based glove with a natural rubber coating.

Contains 90% RCS Certified Recycled Polyester. Certified by Control Union CU1119762



eco-friendly PU

An 85% recycled polyester glove with a PU coating.

Contains 85% RCS Certified Recycled Polyester. Certified by Control Union CU1151096



eco-friendly ANR (Advanced Natural Rubber)

90% recycled polyester with our Advanced Natural Rubber (ANR) coating with a unique grip pattern.

Contains 90% RCS Certified Recycled Polyester. Certified by Control Union CU1119762



eco-friendly NRS (Natural Rubber Sponge)

90% recycled polyester with our Natural Rubber Sponge (NRS) coating.

Contains 90% RCS Certified Recycled Polyester. Certified by Control Union CU1119762



eco-friendly PFT Cut DA5

A liner containing 32% recycled polyester and 16% Tencel™ Lyocell processed natural fibers.

Contains 32% RCS Certified Recycled Polyester. Certified by Control Union CU1172086



eco-friendly PU Cut DA5

A liner containing 60% recycled polyester and 14% Tencel™ Lyocell processed natural fibers.

Contains 60% RCS Certified Recycled Polyester. Certified by Control Union CU1172086



eco-friendly Splendor™ Cut

A liner containing 16% aramid, 42% recycled polyester, plus a natural rubber coating.

Contains 42% RCS Certified Recycled Polyester. Certified by Control Union CU1119762



Products certified to the RCS contain the recycled content that has been independently verified at each stage of the supply chain, from the recycler to the finished product.

SUSTAINABLE SUPPLY CHAIN

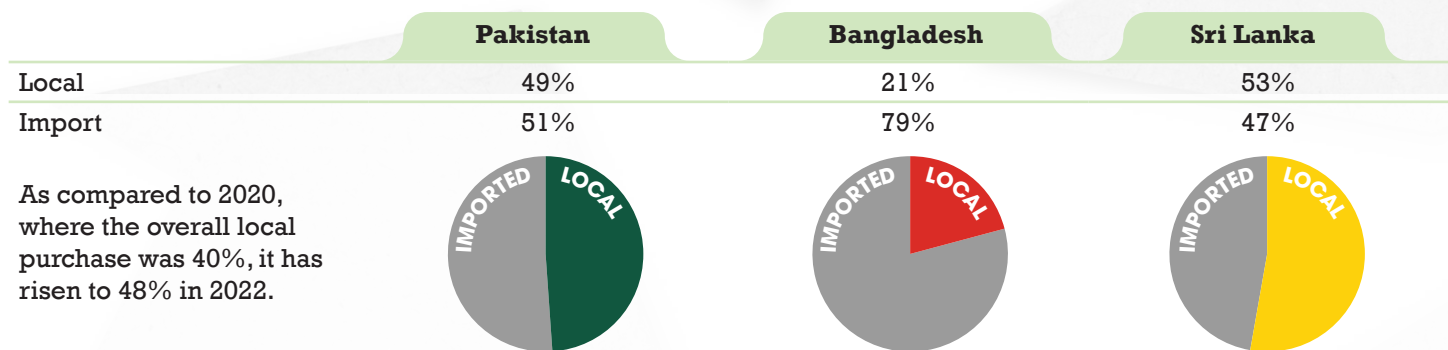
To protect a trustworthy supply chain and uphold a competitive cost structure, we establish and maintain long-term relationships with suppliers, considering them “partners in progress.” These connections help us strengthen our control over the supply chain and meet our obligations to both customers and society.

We expect our suppliers to be transparent and we continually engage with them to perform due diligence to assess safety and risks associated with their products. We have a well-defined procurement policy and supplier assessment process. Our Procurement team at each operational site ensures that these systems are followed.

We constantly make efforts to educate and inform our suppliers about our sustainability ambitions, and we encourage them to declare their performance so that results are more accurately reflected in our report.

Proportion of spending on suppliers by location

We procure cotton, synthetic and performance yarns, latex, rubber, chemicals, and dyes, mostly from Pakistan, China, Thailand, UK, Germany, USA, Sri Lanka, South Korea, and Malaysia, while most of the packaging material is obtained locally. During the year, our procurement from international and local suppliers in each region was as follows.



Supplier Code of Conduct

Business Ethics	Human Rights and Labor	Health and Safety	Environment
<ol style="list-style-type: none"> 1. Compliance with laws. 2. Bribery and anti-corruption. 3. Conflict of interest. 4. Intellectual property. 5. Traceability of materials. 6. Fair competition. 7. Responsible marketing. 8. Fair trade practices. 	<ol style="list-style-type: none"> 1. Equal opportunity. 2. Freely chosen employment. 3. Child labor. 4. Human trafficking. 5. Forced labor. 6. Freedom of association and collective bargaining. 7. Wages and benefits. 8. Working hours. 9. Discrimination. 	<ol style="list-style-type: none"> 1. Prevent accidents and injuries. 2. Health and safety training. 3. Availability of PPE. 4. Emergency preparedness and response. 5. Drinking water. 6. First aid. 7. Emergency exits. 8. Accommodation. 	<ol style="list-style-type: none"> 1. Environmental policies and procedures. 2. Adhering to environmental laws. 3. Reduction in consumption of energy, water, and raw materials. 4. Effluent, emissions, and waste. 5. Risk assessment. 6. Performance evaluation.

Supplier Assessment

In 2022, we initiated the process of evaluating suppliers against the Supplier Code of Conduct addressing sustainability for the first time. 236 major suppliers have been consulted about the environmental demands of their products, and 154 suppliers have signed the Supplier Code of Conduct. 54% of the top 236 were screened using the questionnaire during the year. The actions arising from the results are assessed and discussed with suppliers to develop better and stronger relationships based on trust and shared responsibility. The results show that most of our suppliers already have sustainable practices in place, 77% of them obtained a satisfactory performance. The remaining 23% of the evaluated suppliers received an unsatisfactory score. We will continue efforts in the coming year on developing suppliers with lower scores.



Environmental

- 29 low-scoring suppliers were identified.
- The satisfactory percentage is 77%
- The negative impacts of unsatisfactory performers are identified in water, waste, and emissions.



77%



Social

- 5 low-scoring suppliers were identified.
- The satisfactory percentage is 96%.
- The negative impacts of unsatisfactory performers are identified in employment, and occupational health and safety.



96%

In line with our philosophy to treat suppliers as partners, we have not terminated any supplier on the basis of the assessment, we believe in developing ties and supporting suppliers in progressing towards sustainable practices.

Grievance Mechanism

In case of a violation of the Supplier Code of Conduct the relevant Head of Procurement can discuss with the respective Business Unit Head and take measures to address the issue. Communication with the supplier and investigation into the issue is done by the Head of Procurement. If the supplier is critical, the concern is raised to the General Manager for a decision.

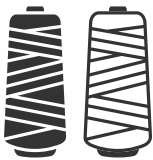
“Developing and evaluating suppliers is necessary to identify key strategic partners for a robust supply chain.”

CIRCULARITY

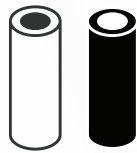
We strongly believe in promoting circularity. The circular economy helps save the environment and promotes resource efficiency through reuse, recycle, repair, and remanufacture, keeping the functional value of a product. We not only focus on reducing material use through efficient process controls and supply chain activities but also concentrate on enhancing recycled materials in our processes and products. For example - in our fiber processing unit at Faisalabad, Pakistan, our focus remains to maximize the use of waste fabric cuttings to convert them to yarn through our vertically integrated manufacturing process. Similarly, we recycle the solvent used in our polyurethane-coated gloves through automated, digitally controlled distillation units in Pakistan and Sri Lanka. In 2022, we recovered and reused 1,219 Metric Tons of solvent through distillation.

Our aim to increase circularity will help our customers achieve their decarbonization goals and will reduce the use of virgin materials. The more we recycle materials in our business units or use recycled materials in production, the more we can avoid emissions. Circularity provides multiple benefits, including less transportation, fewer emissions, less waste, less use of resources, and better cost effectiveness. Following responsible business, trade and manufacturing norms is essential in caring for society and the environment. All three pillars of the sustainable practice: people, planet, and profit are affected by circularity.

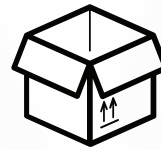
To make sure that most of our waste is recycled and put to other uses in industry and society, we have collaborated with waste collection partners to avoid dumping and to promote decarbonization.



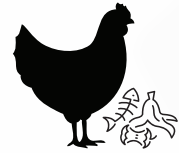
130 tons
sewing cut
recycled



116 tons
plastic and paper
cones recycled



35 tons
used cartons converted
to new boxes



32 tons
food waste
fed to animals



25 tons
sludge (rubber waste)
converted to rubber mats



8 tons
metal scrap
rerolled



6 tons
plastic drums converted
to electric conduits



6 tons
food waste
converted to compost

“We believe in promoting circularity. The circular economy helps save the environment and promotes resource efficiency through reuse, recycle, repair, and remanufacture, keeping the functional value of a product.”

Materials

Midas Safety uses a variety of materials, including cotton, synthetic yarns, chemicals, synthetic latex, and natural latex, which are both renewable and non-renewable and have an unavoidable impact on the environment, from the sourcing of raw materials to end-of-life disposal. We are dedicated to manufacturing high-quality products with limited negative influence as per the stringent requirements we set internally and in response to feedback from our stakeholders.

We are constantly looking for alternative green materials with a lesser negative environmental impact and we have incorporated several bio-based and environmentally friendly materials into our products and have seven sustainable products in 2022. We adhere to several global standards and laws relevant to our industry to ensure meeting ecological and safety requirements.

A total of 22.4% of the raw materials consumed in our production processes came from renewable sources. In our manufacturing, we intend to use more recycled materials. In 2022, 11,467 Metric Tons of recycled materials, or 17% of all production-related materials were recycled materials, 4.2% higher than 2020.

Material	UoM	2022	2021*	Baseline 2020*
Total material use	Metric Tons	67,319	91,938	77,308
Raw materials (cotton yarn, latex, raw cotton)	Metric Tons	6,219	5,148	5,377
Process material (lubricants, filter cloth)	Metric Tons	26	14	14
Semi-manufactured goods (chemicals, synthetic yarns and fabrics, accessories)	Metric Tons	56,120	81,656	66,872
Packaging materials	Metric Tons	4,954	5,120	5,045
Recycled material (polyester, cotton, polycotton)	Metric Tons	11,467	11,667	9,877
Recycled material percentage	%	17.0%	12.7%	12.8%
Renewable material	Metric Tons	15,066	9,967	9,276
Renewable material percentage	%	22.4%	10.8%	12.0%
Non-renewable material	Metric Tons	52,253	81,971	68,032

*In 2022, we refined our data and recalculated material related numbers. Therefore, Material is restated for 2020 and 2021 in this report.



Process Improvement and Waste

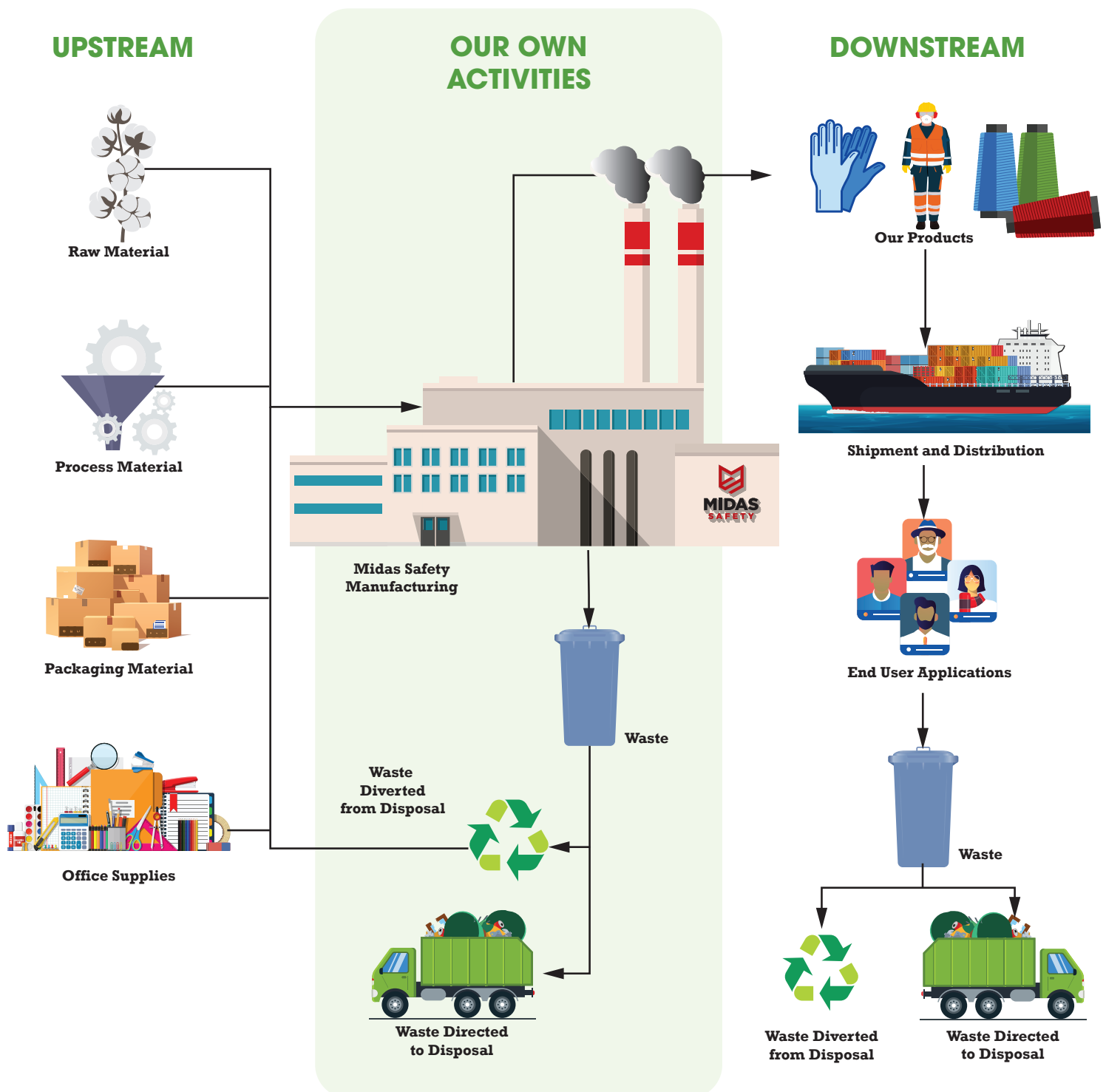
The responsible management of waste, ensuring no hazardous waste to landfill is critical to safeguarding health and the environment. We strive to minimize waste generation in our production processes by employing the 5Rs policy, i.e., reduce, remove, refuse, reuse, and recycle. The process of identifying, measuring, monitoring, and reporting of waste produced by all facilities is clearly defined in our Sustainability Guideline. Daily and monthly, waste registers are maintained, and all waste is accurately measured and reported. Each site manages hazardous and non-hazardous waste and evaluates it for reuse, recycling, and disposal.

In Pakistan and Bangladesh, our units in the Export Processing Zones hand over their waste to authorities for disposal as per local rules. In Sri Lanka, the solid waste is incinerated by a third-party contractor as per the local laws. In Pakistan, factories outside of the Export Processing Zone, sell off all industrial waste. Domestic waste is a small, insignificant quantity and is given to waste collectors. We do not dump any waste into landfill.

WASTE	UoM	2022	2021*	Baseline 2020*
Waste generated				
Hazardous waste	Metric Tons	490	357	515
Non-hazardous waste	Metric Tons	5,919	6,415	6,315
Total waste generated	Metric Tons	6,409	6,772	6,830
Waste diverted from disposal				
Hazardous waste	Metric Tons	128	171	280
Non-hazardous waste	Metric Tons	3,808	4,778	4,512
Total waste	Metric Tons	3,936	4,949	4,792
Recovery operations				
Hazardous waste (other recovery operations) / (offsite)	Metric Tons	128	171	280
Non-hazardous waste (other recovery operations) / (offsite)	Metric Tons	3,808	4,778	4,512
Waste directed to disposal				
Hazardous waste	Metric Tons	362	186	235
Non-hazardous waste	Metric Tons	2,111	1,637	1,803
Total waste	Metric Tons	2,473	1,823	2,038
Disposal operations				
Hazardous waste (other disposal operations) / (offsite)	Metric Tons	362	186	235
Non-hazardous waste (other disposal operations) / (offsite)	Metric Tons	2,111	1,637	1,803

*In 2022, with better measuring capabilities, we recorded waste; accordingly, the waste for 2020 and 2021 is re-estimated and restated.

Waste Value Stream



Caring for the Environment

In 2022, we took substantial steps to fulfil our commitment to a safe environment and resource conservation. We also planned several events to raise awareness and build teamwork.



Biomass energy generation



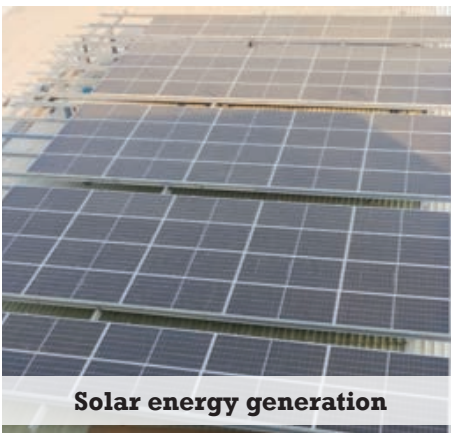
Effluent treatment plant



Wind energy generation



Beach cleaning activity - World Cleanup Day



Solar energy generation



World Water Day



Solvent recovery plant



Plantation drive



Composting initiative



Rainwater harvesting plant



ECONOMIC

ECONOMIC VALUE CREATION

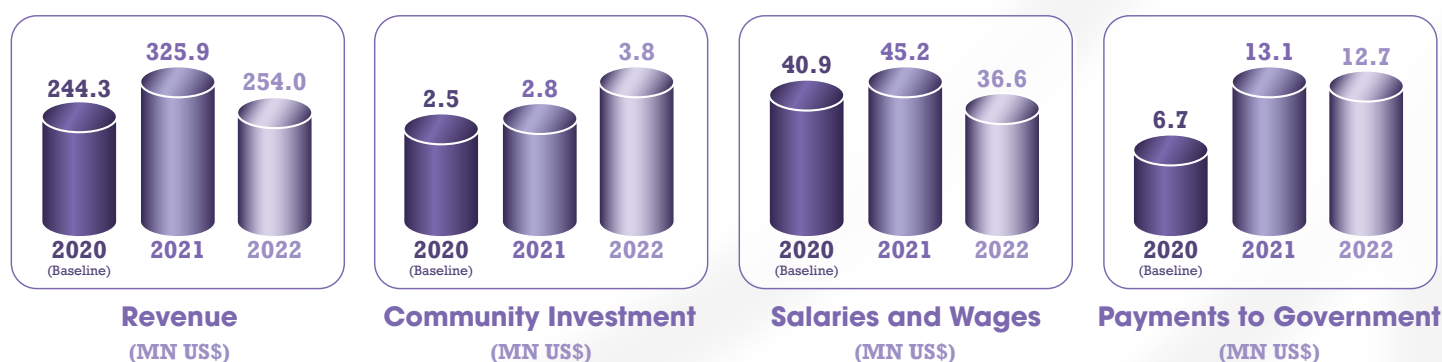
ECONOMIC VALUE CREATION

Organizations cannot grow without proactive risk assessment and mitigation mechanisms. Detection is the most important phase of risk mitigation and Board Audit and Risk Committee (BA&RC) plays a key role in identifying and prioritizing risk in the areas of commercial, financial, technology, compliance operations and sustainability. BA&RC has established a Core Risk and Internal Control Committee (CR&IC) which supports oversight and implementation of risk responses along with Country Heads and senior management.

The Board determines strategy and approves the annual budget plan. Economic management is the responsibility of the CEO and the entire operational team. It is the responsibility of the Head of Sales & Marketing and the Country Heads to meet the targets and oversee the implementation of group policies and operational guidelines in their respective scope of work. The Board receives quarterly reports on operational performance against targets for discussion and assessment. The Board takes decisions after review.

ECONOMIC OUTLOOK

Direct economic value generated and distributed



		UoM	2022	2021	Baseline 2020
Sales volume					
Industrial safety gloves	'000 Dozen Pairs		46,960	65,053	57,233
Workwear and protective clothing	'000 pieces		2,948	2,570	2,312
Yarn and fabric	Metric Tons		8,135	8,832	8,280

No financial assistance was received from government in 2022.

The legal financial year for accounting and tax differs in our operating regions. In Pakistan and Bangladesh, according to the laws, a financial year starts on 1st July and ends on 30th June every year. In Sri Lanka, it is from 1st April to 31st March. The accounts from 1st January to 31st December are therefore considered for compiling the direct economic value generated and distributed in this report.

Abiding by the laws and keeping track of any changes in the legal or regulatory framework that can affect our business is a necessity. Changes in financial reporting, taxation, and labor laws directly impact the organization. Our finance and legal teams are responsible for reporting on the legal changes to the management so that timely actions are taken to ensure compliance with statutory and regulatory requirements.

“Creating economic value is key to our sustainable growth. Our finance and legal teams are responsible for reporting on the legal changes to the management so that timely actions are taken to ensure compliance with statutory and regulatory requirements.”



APPENDIX

EXTERNAL ASSURANCE

GRI CONTENT INDEX

SDG INDEX

GLOSSARY

Independent Assurance Statement for the Midas Safety Sustainability Report 2022

Scope

We have been engaged by Midas Safety to perform an 'assurance engagement', as defined by International Standard on Assurance Engagements ISAE 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", hereafter referred to as the engagement, on the information included in the Sustainability Report 2022 ("the subject matter") referring to the period from January 01, 2022, through December 31, 2022. The report was co-reviewed by Muhammad Imran & Co., Cost & Management Accountants.

Assurance scope	Level of assurance	Assurance criteria
1. Midas Safety's declared adherence to the GRI's Standards 2021 – In accordance	Reasonable assurance	Global Reporting Initiative's (GRI) Standards 2021
2. Review of the policies, initiatives, practices, and performance (qualitative and quantitative information) reported and referenced in the report.	Limited assurance	Completeness and accuracy of selected reported policies, initiatives, and performance data
3. Midas Safety's application of AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact.	Limited assurance	The criteria set out in AA1000AP (2018) for the principles of Inclusivity, Materiality, Responsiveness, and Impact

Midas Safety's Responsibilities

Midas Safety's management is responsible for selecting the criteria and for presenting the Sustainability Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Corporate Social Responsibility Centre Pakistan's (CSRCP) Responsibilities

Our responsibility is to express a conclusion on the subject matter based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ISAE 3000 (Revised), and the terms of reference for this engagement as agreed with Midas Safety. Those standards require that we plan and perform our engagement to obtain assurance in line with the assurance levels mentioned in the scope and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

Statement of Independence, Impartiality, and Competence

CSRCP operates a strict conflict of interest check and has confirmed our independence to work on this assurance engagement with Midas Safety. The review team has not provided consulting services and was not involved in the preparation of any part of the report. CSRCP is a specialized sustainability consulting firm. The review team has the required combination of education, experience, training, and skills for this assurance engagement.

Description of Procedures Performed

Our procedures were designed to obtain the required level of assurance on which to base our conclusion. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on the effectiveness of internal controls.

We carried out a desk review of the final draft report and communicated with Midas Safety to determine the accuracy and authenticity of the report content, data points, methodologies, and policies around the organization's social, environmental, and economic data and activities.

Our procedures for this engagement included:

- Review adherence to the requirement of GRI Standards 2021;
- Review of the policies, initiatives, practices, and standard disclosures regarding the company's material sustainability topics contained in the report;
- Review of consistency of data/information within the report;
- Analysis of the report content against AccountAbility principles of Inclusivity, Materiality, Responsiveness, and Impact;
- Elaboration of the adjustment report; and
- Final review of the report content.

Use of GRI Standards 2021

Midas Safety declares the report to be in accordance with the GRI Standards 2021. CSRCP reviewed the use of the GRI Universal Standards and the Topic-Specific Standards, considering those standards linked to the material topics. In case of a lack of response, Midas Safety provides omission statements in line with the requirements of GRI I Foundation 2021. Based on the analysis, minor recommendations to complete the content have been made. Midas Safety has integrated our recommendations into the report.

Adherence to AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact

CSRCP reviewed the report to analyze adherence to AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact. The main considerations of this analysis for this report were the following:

- The report addresses how the company identifies and engages with different stakeholders, including concerns raised by stakeholders and the company's response. The report also addresses how the issues emerging from stakeholders' engagement inform risk management to identify and mitigate risks.
- The material topics, identified and prioritized considering the requirement of GRI 3 Material Topics 2021, addressed in different sections of the report, supported with information on management systems and data sets that provide performance details for material topics.
- Midas Safety has appropriate policies and external product and management systems certification, which involve a high-level analysis of risks, non-compliance with applicable laws and regulations, and corrective actions to resolve issues.
- The report demonstrates decreased environmental impact owing to reduced production volumes during 2022. Moreover, the gender diversity and community support impact increased with a slightly increased recordable injury rate.

Limitations and exclusions

Excluded from the scope of our work is any verification of information relating to:

- Verification of financial figures and sustainability performance data;
- Positional statements (expression of opinion, belief, aim, or future intention of Midas Safety and statements of future commitment).

Statement of conclusion

Assurance Scope 1 - Midas Safety's declared adherence to the GRI's Standards 2021 – In accordance

We confirm that the report meets the requirements of in accordance criteria of the GRI Standards 2021. The compliance with GRI Standards has been disclosed in more detail in the GRI Content Index which provides omission statements in case data has not been provided.

Assurance Scope 2- Review of the policies, initiatives, practices, and performance (qualitative and quantitative information) reported and referenced in the report

Nothing has come to our attention that causes us to believe that the information in Midas Safety's Sustainability Report 2022 is not fairly stated in all material aspects.

Assurance Scope 3 – Midas Safety's application of AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact.

Nothing has come to our attention that causes us to believe that all four AA1000 AccountAbility Principles are not fairly stated in the report content and elaboration.

However, we can appoint areas of improvement for the next reporting cycle:

- Midas Safety showed environmental performance against the baseline, demonstrating decreased impact over the years. However, we recommend providing a comparison of performance analyses (intensity and absolute) against Targets to showcase progress against targets.
- Midas Safety has committed to setting science-based emission reduction targets for Pakistan operations. We recommend aligning other operations sites (Sri Lanka and Bangladesh) to commit to setting science-based emission reduction targets in line with climate science.
- Midas Safety evaluated its supply chain partners against the suppliers' code of conduct in 2022, resulting in low scores for some suppliers. Midas Safety does not provide information about the value chain impacts in defined material areas as well as a strategy to improve compliance by low-scoring suppliers. We recommend Midas Safety share value chain impacts, and its approach and target timeline to improve the conditions at low-scoring suppliers and manage the value chain impacts in future.

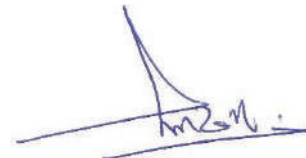
Restricted use

This report is intended solely for Midas Safety and is not intended to be and should not be used by anyone other than Midas Safety. Any reliance placed on the report by any third party is entirely at its own risk.

Islamabad, April 21, 2023



Muhammad Arfan Nazir,
Director,
Corporate Social Responsibility Centre Pakistan.



Muhammad Imran,
Muhammad Imran & Co.,
Cost & Management
Accountants Pakistan.
ICMAP Membership # 1382

GRI CONTENT INDEX

Statement of use	Midas Safety has reported the information cited in this GRI content index for the period Jan 1 - Dec 31, 2022, with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Page No	Omission / Reason
GENERAL DISCLOSURES			
GRI-2 General Disclosure 2021	Disclosure 2-1 Organizational Details	5	
	Disclosure 2-2 Entities included in the Organization's Sustainability Reporting	4,5	
	Disclosure 2-3 Reporting period, frequency and contact point	4	
	Disclosure 2-4 Restatements of information	4, 63-64	
	Disclosure 2-5 External Assurance	70-72	
	Disclosure 2-6 Activities, value chain and other business relationships	5, 60-61	
	Disclosure 2-7 Employees	27-28	
	Disclosure 2-8 Workers who are not employees	31	
	Disclosure 2-9 Governance Structure and Composition	14-15	
	Disclosure 2-10 Nomination and selection of the highest governance body	14	
	Disclosure 2-11 Chair of the highest governance body	14	
	Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	14	
	Disclosure 2-13 Delegation of responsibility for managing impacts	14	
	Disclosure 2-14 Role of the highest governance body in sustainability reporting	14	
	Disclosure 2-15 Conflicts of interest	14	
	Disclosure 2-16 Communication of critical concern	14	
	Disclosure 2-17 Collective knowledge of the highest governance body	14	
	Disclosure 2-18 Evaluation of the performance of the highest governance body	-	Requirement Omitted: 2-18- a, b, c. Reason: Confidentiality Constraint Explanation: We are not a public limited company; we are a family-owned business. There is no legal requirement to disclose this information to public.

GRI Standard	Disclosure	Page No	Omission / Reason
	Disclosure 2-19 Remuneration policies	-	Requirement Omitted: 2-19 Reason: Confidentiality Constraint Explanation: Remuneration policies for highest governance body is not disclosed to anyone, for privacy and safety
	Disclosure 2-20 Process to determine remuneration	14	
	Disclosure 2-21 Annual total compensation ratio	-	Requirement Omitted: 2-21 Reason: Confidentiality Constraint Explanation: Compensation to highest paid individual is not disclosed to anyone, for privacy and safety.
	Disclosure 2-22 Statement on sustainable development strategy	15	
	Disclosure 2-23 Policy commitments	14-15	
	Disclosure 2-24 Embedding policy commitments	14-15	
	Disclosure 2-25 Processes to remediate negative impacts	14-15	
	Disclosure 2-26 Mechanisms for seeking advice and raising concerns	15	
	Disclosure 2-27 Compliance with laws and regulations	32, 49	
	Disclosure 2-28 Membership associations	6	
	Disclosure 2-29 Approach to stakeholder engagement	17-18	
	Disclosure 2-30 Collective bargaining agreements	33	
MATERIAL TOPICS			
GRI-3: Material Topics 2021	Disclosure 3-1 Process to determine material topics	19	
	Disclosure 3-2 List of material topics	19	
ECONOMIC PERFORMANCE			
GRI-3: Material Topics 2021	Disclosure 3-3 Management of material topics	21, 68	
GRI-201 Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed	68	Requirement Omitted: 201-1a(ii) & (iii) Reason: Confidentiality Constraint Explanation: Economic value distributed and retained are not given as we are not a public limited company; we are a family-owned business. There is no legal requirement to disclose this information to public
	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	-	Requirement Omitted: 201-2 Reason: Information unavailable Explanation: Risks of financial and operational changes because of climate change are not identified. We will establish system and planning to report in our 2025 sustainability report.
	Disclosure 201-3 Defined benefit plan obligations and other retirement plans	-	Requirement Omitted: 201-3 Reason: Confidentiality Constraint Explanation: We are not a public limited company; we are a family-owned business. There is no legal requirement to disclose this information to public.

GRI Standard	Disclosure	Page No	Omission / Reason
	Disclosure 201-4 Financial assistance received from government	68	
PROCUREMENT PRACTICES			
GRI-3: Material Topics 2021	Disclosure 3-3 Management of material topics	21, 60	
GRI-204 Procurement Practices 2016	Disclosure 204-1 Proportion of spending on local suppliers	60	
MATERIALS			
GRI-3: Material Topics 2021	Disclosure 3-3 Management of material topics	21, 63	
	Disclosure 301-1 Materials used by weight or volume	63	
	Disclosure 301-2 Recycled input materials used	63	
	Disclosure 301-3 Reclaimed products and their packaging materials	-	Requirement Omitted: 301-3(a) & (b) Reason: Information unavailable Explanation: Mechanism for reporting not available. System will be established and reported in 2025 sustainability report.
ENERGY			
GRI-3: Material Topics 2021	Disclosure 3-3 Management of material topics	21	
GRI-302 Energy 2016	Disclosure 302-1 Energy consumption within the organization	52	
	Disclosure 302-2 Energy consumption outside of the organization	52	
	Disclosure 302-3 Energy intensity	52	
	Disclosure 302-4 Reduction of energy consumption	53	
	Disclosure 302-5 Reductions in energy requirements of products and services	-	Requirement Omitted: 302-5 Reason: Not Applicable Explanation: Our products are not energy consuming during use.
WATER AND EFFLUENTS			
GRI-3: Material Topics 2021	Disclosure 3-3 Management of material topics	22, 50	
GRI-303 Water and Effluents 2018	Disclosure 303-1 Interactions with water as a shared resource	22, 50	Requirement Omitted: 303-1 (b&c) Reason: Information unavailable Explanation: Impact assessment methodologies and stakeholder engagement systems for water as a shared resource are not established.
	Disclosure 303-2 Management of water discharge-related impacts	50	
	Disclosure 303-3 Water withdrawal	51	
	Disclosure 303-4 Water discharge	-	Requirement Omitted: 303-4 Reason: Information unavailable Explanation: Water metering at discharge is not available at some facilities. System will be established and reported in 2025 sustainability report.

GRI Standard	Disclosure	Page No	Omission / Reason
	Disclosure 303-5 Water consumption	-	Requirement Omitted: 303-5 Reason: Information unavailable Explanation: Water metering at discharge is not available at some facilities. System will be established and reported in 2025 sustainability report.
EMISSIONS			
GRI-3: Material Topics 2021	Disclosure 3-3 Management of material topics	22	
GRI-305 Emissions 2016	Disclosure 305-1 Direct (Scope 1) GHG emissions	54	
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	54	
	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	54	
	Disclosure 305-4 GHG emissions intensity	55	
	Disclosure 305-5 Reduction of GHG Emissions	55	
	Disclosure 305-6 Emissions of ozone-depleting substances (ODS)	55	
	Disclosure 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	55	
WASTE			
GRI-3: Material Topics 2021	Disclosure 3-3 Management of material topics	22,64	
GRI-306 Wastes 2020	Disclosure 306-1 Waste generation and significant waste-related impacts	22,64	
	Disclosure 306-2 Management of significant waste related impacts	22,64	
	Disclosure 306-3 Waste Generated	64	
	Disclosure 306-4 Waste diverted from disposal	64	
	Disclosure 306-5 Waste directed to disposal	64	
EMPLOYMENT			
GRI-3: Material Topics 2021	Disclosure 3-3 Management of material topics	22	
GRI-401 Employment 2016	Disclosure 401-1 New employee hires and employee turnover	29	
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	33	
	Disclosure 401-3 Parental leave	29	Requirement Omitted: 401-3 (d, e) Reason: Information unavailable Explanation: We have started gathering data from this year, 12 months have not passed to provide annual ratio.
OCCUPATIONAL HEALTH & SAFETY			
GRI-3: Material Topics 2021	Disclosure 3-3 Management of material topics	23	

GRI Standard	Disclosure	Page No	Omission / Reason
GRI-403 Occupational Health & Safety 2018	Disclosure 403-1 Occupational health and safety management system	23,34	
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	34	
	Disclosure 403-3 Occupational health services	34,36	
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	34	
	Disclosure 403-5 Worker training on occupational health and safety	35	
	Disclosure 403-6 Promotion of worker health	36	
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	34	
	Disclosure 403-8 Workers covered by an occupational health and safety management system	36	
	Disclosure 403-9 Work-related injuries	36	
	Disclosure 403-10 Work-related ill health	36	
TRAINING AND EDUCATION			
GRI-3: Material Topics 2021	Disclosure 3-3 Management of material topics	23	
GRI-404 Training and Education 2016	Disclosure 404-1 Average hours of training per year per employee	31	
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	31	
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	27	
DIVERSITY AND EQUAL OPPORTUNITY			
GRI-3: Material Topics 2021	Disclosure 3-3 Management of material topics	23	
GRI-405 Diversity and equal opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees	28	Requirement Omitted: 405-1 (a) Reason: Confidentiality Constraint Explanation: We are not a public limited company; we are a family-owned business. There is no legal requirement to disclose this information to public.
	Disclosure 405-2 Ratio of basic salary and remuneration of women to men	32	
CHILD LABOR			
GRI-3: Material Topics 2021	Disclosure 3-3 Management of material topics	23	

GRI Standard	Disclosure	Page No	Omission / Reason
GRI-408 Child Labor 2016	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	32	
FORCED AND COMPULSORY LABOR			
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	GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages	22,29, 36,54	401-2-a, 403-6-a, 403-6-b, 403-10, 403-9-a, 403-9-b, 403-9-c, 305-1, 305-2, 305-3, 305-6-a, 306-1, 306-2-a, 306-2-b, 306-2-c, 306-3-a, 306-3-b, 306-3-c, 306-4-a, 306-4-b, 306-4-c, 306-4-d, 306-5-a, 306-5-b, 306-5-c, 306-5-d, 403-9-b, 403-9-c, 403-10
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	CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all	22,50, 64	303-1-a, 303-1-c, 303-2-a, 306-1, 306-2-a, 306-2-b, 306-2-c, 303-3-c, 306-3-a, 306-3-b, 306-3-c, 306-5-a
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	REDUCED INEQUALITIES Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	27,28, 29,31, 32	2-7-a, 2-7-b, 401-1, 404-1-a, 404-3-a, 405-2-a,
	SUSTAINABLE CITIES AND COMMUNITIES Reduce inequality within and among countries	22,64	306-1, 306-2-a, 306-2-b, 306-2-c, 306-3-a, 306-4-a, 306-4-b, 306-4-c, 306-4-d, 306-5-a, 306-5-b, 306-5-c, 306-5-d
	RESPONSIBLE CONSUMPTION AND PRODUCTION Make cities and human settlements inclusive, safe, resilient, and sustainable	22,53, 55,63, 64	301-1-a, 301-1-c, 301-2-a, 301-3-a, 302-1, 302-2-a, 302-3-a, 302-4-a, 302-5-a, 305-1, 305-2, 305-3, 305-6-a, 305-7, 306-1, 306-2-a, 306-2-b, 306-2-c, 306-3-a, 306-3-b, 306-3-c, 306-4-a, 306-4-b, 306-4-c, 306-4-d, 306-5-a, 306-5-b, 306-5-c, 306-5-d
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	LIFE BELOW WATER Take urgent action to combat climate change and its impacts	54,55	305-1, 305-2, 305-3, 305-4-a, 305-5-a
	LIFE ON LAND Conserve and sustainably use the oceans, seas, and marine resources for sustainable development	54,55, 64	306-3-a, 306-3-b, 306-3-c, 306-5-a, 305-1, 305-2, 305-3, 305-4-a, 305-5-a
	PEACE, JUSTICE AND STRONG INSTITUTIONS Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	14,15, 32,34, 36	403-9-a, 403-9-b, 403-9-c, 403-10, 408-1, 2-23-a, 2-23-b, 2-26, 2-11, 2-15, 2-12, 2-9-c, 2-10, 403-4-a, 403-4-b

GLOSSARY

AC	Air Conditioner
ANR	Advanced Natural Rubber
BA&RC	Board Audit and Risk Committee
BCI	Better Cotton Initiative
BD	Bangladesh
BEPZIA	Bangladesh EPZ Investor's Association
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
CEO	Chief Operating Officer
CFC	Chlorofluorocarbon
COSO	Committee of the Sponsoring Organizations of the Treadway Commission
CR&IC	Core Risk and Internal Control Committee
CSR	Corporate Social Responsibility
DEFRA	Department for Environment Food and Rural Affairs, UK
DP	Dozen Pair
EPF	Employee Provident Fund
ERM	Enterprise Resource Management
ERP	Enterprise Resource Planning
ETF	Employee Trust Fund
ETP	Effluent Treatment Plant
FE&MT	Friends Educational & Medical Trust
GHG	Greenhouse Gasses
GJ	Gigajoules
GOTS	Global Organic Textile Standard
GRI	Global Reporting Initiative
GRS	Global Recycle Standard
HCFC	Hydrochlorofluorocarbon
HR	Human Resource
HSE	Health Safety & Environment
ICoNM	Indus College of Nursing and Midwifery
IHHN	Indus Hospital Health Network
IKEWP	Ismat Kassam Women Empowerment Program
ILO	International Labor Organization
IoT	Internet of Things
IR	International Relation
kt	Kilo Tons
KW	Kilowatt

KWH	Kilowatt-hour
LED	Light-Emitting Diode
LOTO	Log Out Tag Out
LPG	Liquefied Petroleum Gas
LRBT	Layton Rahmatullah Benevolent Trust
MKS	Mussa Kassam Somji Foundation
ML	Mega Liters
MOC	Management of Change
MW	Megawatt
MWH	Megawatt-hour
NBQSA	National Best Quality Software Awards
NGO	Non-Governmental Organization
NO_x	Nitrogen Oxides
OCS	Organic Content Standard
ODS	Ozone Depleting Substances
OH&S	Occupational Health and Safety
OSHA	Occupational Safety and Health Administration
PET	Polyethylene Terephthalate
PK	Pakistan
PM	Particulate Matter
PPE	Personal Protective Equipment
PV	Photovoltaic Cell
R&D	Research and Development
RCS	Recycled Claim Standard
REACH	Registration, Evaluation, Authorization and restriction of Chemicals
RO	Reverse Osmosis
SBTI	Science Based Targets initiative
SEDEX	Supplier Ethical Data Exchange
SL	Sri Lanka
SMETA	SEDEX Members Ethical Trade Audit
SO_x	Sulfur Oxides
T&D	Transmission and Distribution Losses
TRIR	Total Recordable Injury Rate
UOM	Unit of Measure
US-EIA	United States Energy Information Administration
US-EPA	United States Environmental Protection Agency
VFD	Variable-Frequency Drive



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