MIDAS
SAFETY

SUSTAINABILITY REPORT 2021

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A MESSAGE FROM THE CEO

I am pleased to introduce Midas Safety's first sustainability report, which documents our progress towards better management of our economic, environmental, and social impacts and commitment to "**Making Safety Sustainable**."

During the last two years, we witnessed catastrophic conditions around the globe amidst the pandemic, that resulted in health emergencies, lockdowns, and a miserable economic outlook. The pandemic posed challenges to maintaining the health and safety of our workers, as well as, meeting the increased demand for our safety products. In addition to COVID-19, climate change, mounting waste, increasing poverty, and inequality remained major global issues. To contribute to addressing the fragility of the entire ecosystem, our Board and leadership team have taken concrete steps to enable fast-tracking our sustainability initiatives and managing our impacts.

Sustainability is a mindset and instilling this message amongst our teams has been the main priority and focus during the last 18 months. The clarity of communication from the Board to the Sustainability Council and the core teams at each location has helped us increase the speed of execution. We have finalized our targets for 2023 around seven pillars: People, Climate, Water, Energy, Waste, Product and Packaging, whilst considering 2020 as our baseline year.

We are committed to minimizing the impact of our business operations on the planet, from the energy we consume to the resources and materials we use in our manufacturing processes. Our sustainability teams have taken significant steps to reduce the carbon footprint, water, and energy intensities, reduce waste, and convert the waste into useable products. We have targeted plastic-free packaging by 2023, and we will continue to assess where we can reduce, replace, or recycle single-use plastics. On this journey, we appear to be moving away from our absolute targets in some areas, but this will push us to innovate and work harder towards reducing our overall burden on our beloved planet.

Our People target for 2023 manifests our strong focus on the health and safety of our workers, increasing gender diversity, and nurturing talent. During the year, we continued our support towards the underprivileged in the areas of education and healthcare.

Transparency is the cornerstone for winning stakeholders' trust and is vital for our long-term success in the competitive market. We have aligned our reporting with the GRI standards to enhance the transparency and credibility of our actions and commitments.

Sustainability is a fulfilling journey, and its genuine path has no shortcuts.

I request you to read the report and look forward to your valuable feedback.

Hussain Kassam
CEO
Midas Safety

ABOUT OUR REPORT

This is Midas Safety's first sustainability report. This report has been prepared in accordance with the Global Reporting Initiatives (GRI) Sustainability Reporting Standards at the Core level to provide stakeholders a complete overview of the economic, environmental, and social impacts of Midas Safety's activities and operations.

Scope and Boundary

The sustainability report covers the activities of Midas Safety operations in Pakistan, Sri Lanka, and Bangladesh from 1st January 2021 to 31st December 2021. The information covered in this report includes Midas Safety's operating divisions, including industrial safety gloves, workwear and protective clothing, yarn and fabric, and entities mentioned on page 11. We have adopted an annual reporting cycle. Unless otherwise stated, quantitative information disclosed in this report represents the aggregate information of all locations. The information on impacts within the supply chain is not included due to the non-availability of the data.

Contents

The contents and material topics have been derived from the requirement of GRI Standards, the impact of Midas Safety operations, and the results of the stakeholders' engagement process. For detailed information on stakeholders' engagement, materiality analysis, list of material topics, and topic boundaries, refer to page 19 of this report. As this is the first report, no restatement is carried out and there are no changes in the list of material topics and boundaries.

Methodology and Data Quality

The information and data included in the report are derived from existing management information systems. The data is recorded on a monthly, quarterly, and annual basis. However, where actual data was not available, estimation has been used and mentioned in respective sections of the report. To further ensure data quality and accuracy, the data has been rechecked by the Internal Audit Department for consistency, reliability, and comparability. The sustainability report is part of the annual reporting process starting from 2021.

Assurance

The Sustainability Council and Core Committee reviews and approves the report. The Sustainability Council and Core Committee is also responsible for the selection and coordination with an external reviewer to provide external assurance on the report. Sustainability Pty Ltd., Australia was engaged for an external review of the report. The external reviewer's report is available on page 52 containing the scope, criteria, responsibilities, methodology, and assurer's opinion.

The GRI Index is available on page 54 and this report is available on www.midassafety.com. We encourage readers not to print this report, unless absolutely needed, to help save the environment. We value your feedback and suggestions. The contact point for queries and feedback is below.

Zakir Abdi
Chief R&D Officer I Global Head of Sustainability
Midas Safety
Email: zakir@midassafety.com

PERFORMANCE HIGHLIGHTS

(In comparison with the baseline year 2020)

94,766,948
Production equivalent dozen pairs increased by 13%

79,161 Tons
GHG emissions increased by 9%

1,420,014 GJ
Energy consumption increased by 15%
45% renewable energy

1,502 Mega liters
Water withdrawal reduced by 1%

Health & Safety
Zero fatalities minor safety incidents reduced by 16%

33%
Gender diversity increased by 1%
15% women in management

108,378
Training hours

94,642 Tons
Material used increased by 19%

11,667 Tons
Recycled material increased by 18%

Plastics in packaging
Increased by 2% equivalent dozen pairs intensity reduced by 13%

5,285 Tons
Waste generated increased by 5%
food waste reduced by 14%

Reporting in accordance with GRI standards

SUSTAINABILITY TARGETS 2023

People:
(a) Reduce safety related incidents by 60%
(b) Improve gender diversity to 40%
(c) Enhance and enrich the knowledge of employees through training – 18 hrs per employee per year

Climate:
(a) Reduce carbon footprint by 20%
(b) Eliminate HCFC equipment

Water:
(a) Reduce freshwater intake by 20%
(b) Recycle 20% of used water

Energy:
(a) Reduce electricity consumption by 20%
(b) Reduce biomass consumption by 20%
(c) Reduce gas consumption by 10%
(d) Install 7 MW solar power

Waste:
(a) Reduce waste by 40%
(b) Reduce food waste by 30%
(c) Zero hazardous waste to landfill

Product:
(a) Increase use of recycle material in products by 20% (28% to 48%)
(b) Sustained compliance of products across all geographies
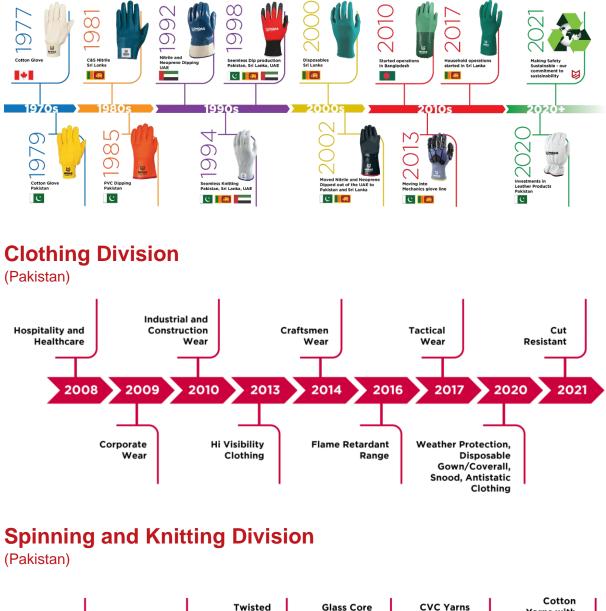(c) Reduce hazardous chemical consumption by 20%

Packaging:
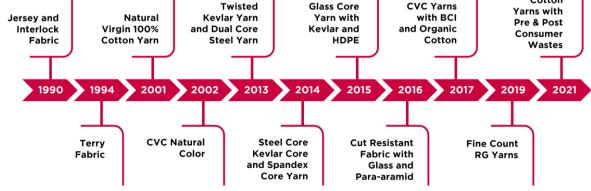(a) Reduce plastic consumption by 100%

OUR JOURNEY TOWARDS A DIVERSIFIED PRODUCT RANGE

Glove Division
(Pakistan, Sri Lanka, and Bangladesh)

1977 — Cotton Glove (Canada)

1979 — Cotton Glove Pakistan

1981 — C&S Nitrile Sri Lanka

1985 — PVC Dipping Pakistan

1992 — Nitrile and Neoprene Dipping UAE

1994 — Seamless Knitting Pakistan, Sri Lanka, UAE

1998 — Seamless Dip production Pakistan, Sri Lanka, UAE

2000 — Disposables Sri Lanka

2002 — Moved Nitrile and Neoprene Dipped out of the UAE to Pakistan and Sri Lanka

2010 — Started operations in Bangladesh

2013 — Moving into Mechanics glove line

2017 — Household operations started in Sri Lanka

2020 — Investments in Leather Products Pakistan

2021 — Making Safety Sustainable - our commitment to sustainability

Decade markers: 1970s | 1980s | 1990s | 2000s | 2010s | 2020+

Clothing Division
(Pakistan)

- **2008** — Hospitality and Healthcare
- **2009** — Corporate Wear
- **2010** — Industrial and Construction Wear
- **2013** — Hi Visibility Clothing
- **2014** — Craftsmen Wear
- **2016** — Flame Retardant Range
- **2017** — Tactical Wear
- **2020** — Weather Protection, Disposable Gown/Coverall, Snood, Antistatic Clothing
- **2021** — Cut Resistant

Spinning and Knitting Division
(Pakistan)

- **1990** — Jersey and Interlock Fabric
- **1994** — Terry Fabric
- **2001** — Natural Virgin 100% Cotton Yarn
- **2002** — CVC Natural Color
- **2013** — Twisted Kevlar Yarn and Dual Core Steel Yarn
- **2014** — Steel Core Kevlar Core and Spandex Core Yarn
- **2015** — Glass Core Yarn with Kevlar and HDPE
- **2016** — Cut Resistant Fabric with Glass and Para-aramid
- **2017** — CVC Yarns with BCI and Organic Cotton
- **2019** — Fine Count RG Yarns
- **2021** — Cotton Yarns with Pre & Post Consumer Wastes

CORPORATE PROFILE

Since its inception in 1977, Midas Safety has been shielding workers across different industries with private-label and own brand solutions in safety and hand protection. We manufacture a diversified range of innovative Personal Protective Equipment (PPE) and technical yarns/fabrics of which our main focus is hand protection. Our quality products empower millions of people to perform their work safely and with confidence. End-to-end manufacturing capabilities enabling product and packaging customization, research and development, innovation, and commitment to safety compliances have made Midas Safety a preferred and trusted name globally.

Midas Safety has manufacturing locations in Pakistan, Sri Lanka and Bangladesh, and sales presence spread across America, Europe, and Asia. Our products are not banned in any market. There were no significant changes in Midas Safety's operations and organizational structure during the year.

Midas Safety has used SAP® to manage all business activities since 2012. Leveraging the capability of the ERP, we have deployed SAP Success Factors® for employees' performance management and have automated reporting through the SAP Business Intelligence Module.

Gloves Division

The businesses under Midas Safety, manufacture, and market next generation gloves for a wide range of industrial applications. Our gloves protect workers in almost every industry including chemical, automotive, auto workshops, healthcare, pharmaceutical, food, oil and gas, machinery and equipment, construction, and mining.

Clothing Division

Clothing division manufactures and markets high quality clothing. Our clothing solutions cater to the needs of a wide range of customers and applications including industrial, hospital, craftsman, flame retardants, high visibility, corporate wear, and food catering.

Spinning and Knitting Division

Spinning and Knitting division manufactures and sells high-quality and variety of cut, abrasion, thermal, and fire-resistant solutions to meet its customers' needs. Our technical yarns and fabrics are also used in-house as raw materials for our gloves.

WHAT SETS US APART

| Integrated Manufacturing Capabilities | Commitment to R&D and Innovation | Product Quality, Service and Adherence to Regulations and Compliances | Global Insights, Supply Chain Management, and Dedicated Workforce | Environmental and Social Consciousness |

Our operations

11,000+
Employees

12
Manufacturing Sites

Sales
USD **325.8** Mn

2,100
Product Variants

4 Product Patents &
6 Registered Designs

SPINNING

Our spinning mill is located in Faisalabad, which is the textile hub within Pakistan. It can transform raw cotton and man-made fibers into many variants of generic and technical yarns. Midas Safety guarantees the care put into selecting the most reputable suppliers.

PROCESSING

We process generic yarns and fabrics, polyester, polyamides, spandex; high-performance yarns like glass, steel, Kevlar® and Ultra-High Molecular Weight Polyethylene (e.g., Dyneema®).

PLYING

We ply our own technical yarns. Our in-house processing allows for customization of yarn compositions to meet the desired performance levels.

STITCHING

We make various products like aprons, tunics, masks, coveralls, trousers, gloves, etc. Robust quality, R&D, and traceability systems provide us the right combination to serve customers.

DIPPING

We offer a variety of high-quality coating & dipping technologies including Robotics. We are known for our unique proprietary coatings like HPT, CORAL, NFT, PFT, and Waves.

KNITTING

Our range of high performance flat and circular knitting machines cover a wide range of knitting options, enabling a diversification product offering.
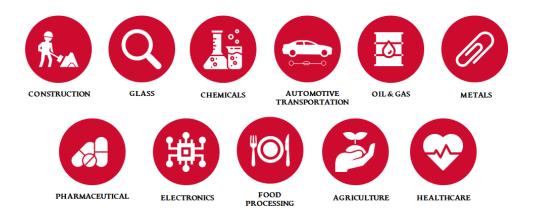

Robotic Dipping at our manufacturing plants

Midas Safety believes in continuous improvement of its processes through the use of automation and modern technology. This optimizes quality, productivity, accuracy, and efficient use of energy.

Through its operating entities, Midas Safety is a member of industry associations and chambers of commerce in different regions, however we do not hold any significant positions in these associations, nor is any funding provided except for membership fees.

A diverse product portfolio for a broad range of industries

CONSTRUCTION · GLASS · CHEMICALS · AUTOMOTIVE TRANSPORTATION · OIL & GAS · METALS

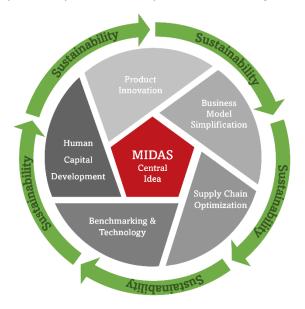PHARMACEUTICAL · ELECTRONICS · FOOD PROCESSING · AGRICULTURE · HEALTHCARE

We operate 12 manufacturing facilities located in Pakistan, Sri Lanka, and Bangladesh. The following manufacturing units are operating under Midas Safety.

Region	Registered Office	Contact No.	Factory Address
Pakistan			
Shahbaz Garments (Pvt) Ltd.	Office # 27-B, 27th Floor, Sky Tower – West Wing, Dolmen City, Plot # HC-3, Block-4, Marine Drive, Clifton, Karachi.	+92-21-34520061-62	1. Glove Unit - 11 km, Sargodha Road, 38000, Faisalabad, Pakistan 2. Machine Knit Unit; C-32, State Avenue, S.I.T.E, 75500, Karachi, Pakistan 3. Spinning Unit; 30 km, Sheikhupura Road, Khurrianwala 38000, Faisalabad, Pakistan
Midas Safety Clothing Ltd.	Plot No. 1,2,8 and 9 Sector C-VII KEPZ, 75150 Karachi, Pakistan	+92 21 35130794	1. MCL Site in EPZ; Plot No. 1,2,8 and 9 Sector C-VII KEPZ, 75150 Karachi, Pakistan 2. FBA Site; Plot No. L-20/D, Block 22, FB Industrial Area, Karachi, Pakistan 3. NN Site; Plot SD 19, Block-B North Nazimabad Town, Karachi, 74600, Pakistan
Beltexco Ltd.	8-12, 21-25, Sector C-VII, KEPZ, Karachi, 75150, Pakistan	+92-21-38797459	8-12, 21-25, Sector C-VII, KEPZ, Karachi, 75150, Pakistan
Prime Safety Ltd.	Plot No: 4-8, 15-19, Sector C-1 EPZ. Karachi, Pakistan	+92-21-38797025	Plot No: 4-8, 15-19, Sector C-1 EPZ. Karachi, Pakistan
Sri Lanka			
Workwear Lanka (Pvt) Ltd.	No.78, BEPZ, Walgama, Malwana, Sri Lanka	+94-11-5222111	No.78, BEPZ, Walgama, Malwana, Sri Lanka
Midas Safety Lanka Pvt) Ltd.	No.78, BEPZ, Walgama, Malwana, Sri Lanka	+94-11-5220100	Spur Road 2, Phase 1, KEPZ, Katunayake, Sri Lanka
Midas Safety Lanka (Pvt) Ltd. (Prime Polymers Division)	. No.78, BEPZ, Walgama, Malwana, Sri Lanka	+94-36-5422200	D17, SEPZ, Avissawella, Sri Lanka
Bangladesh			
Midas Safety Bangladesh Ltd.	Plot No. 06, Sector 1A, Road No. 05, CEPZ, Chattogram-4223, Bangladesh	+8802333340781-82	Plot No. 06, Sector 1A, Road No. 05, CEPZ, 4223, Chattogram, Bangladesh

Midas Safety central idea

Protecting the working hands of the world

Committed to act responsibly in contributing towards a better world for our future generations, by creating a positive impact on all three pillars of sustainability: Social, Environmental, and Economic.

Product Innovation

Building Block:
- Produce innovative range of products leveraging technical, development and marketing capabilities
- 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

Impacts:
- Value added to PPE sales channels and end users
- Product differentiation
- Improved manufacturing efficiency and quality
- Steering ahead of competition
- Elimination of threat from China

Human Capacity Development

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

Impacts:
- Best team in the business
- Higher margins
- Improved product knowledge and selling skills

Business Model Simplification

Building Block:
- Reduce complexity, simplify systems and processes, eliminate nonvalue adding activities
- Bringing offerings to a commercially manageable level
- End-to-end accountability
- End-to-end authority
- Delegate both to the lowest clear level of competence
- Use latest techniques of branding and marketing

Impacts:
- Improved quality and services
- Better cost control
- Improved margins
- Closer to our customers

Benchmarking and Technology

Building Block:
- Benchmark 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 bring in cutting edge technology
- Implement systems for compliance and governance without compromising on speed and service levels to our customers.

Impacts:
- Attainment of competitive edge
- Best-in-class manufacturing
- Superior governance

Supply Chain Optimization

Building Block:
- Continue to maximize our pre- and post-production service to the core sales channels
- Develop sales channels with a high level of quality end-user contacts and knowledge
- Innovative means to move closer to the end-user
- Focus on innovative sourcing

Impacts:
- Close relationship with end users
- Competitive advantages

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

CORPORATE OBJECTIVES

1 **Safety first**
Lead by example…as a member of the Midas Safety team, make safety your lifestyle

2 **Revenue growth**
Commercially viable products and markets, growth by acquisition!

3 **Product differentiation**
Innovation simply isn't enough; how can we sell it!

4 **Know your customer, know your supplier, know the application**
Gather information from end to end, understand the application, knowledge is power!

5 **Automation, modernization, digitalization**
Simple, cost effective, disruptive technology

6 **Sustainability**
Respect the environment, give back!

We moved Sustainability up to the second place after Safety in the 2022 Corporate objectives.

GOVERNANCE AND SUSTAINABILITY MANAGEMENT

Midas Safety's leadership advocates a strong culture of Corporate Governance. This is evident through its governance practices which mimic that of a publicly listed entity, whereas Midas Safety is privately held. Midas's governance structure promotes the culture of ethics, integrity, transparency, and accountability. This has helped the group navigate through turbulent scenarios by improving the preparedness of the leadership team. Oversight on the systems and processes through the Board's Audit and Risk committee has helped ensure that all audit observations are thoroughly investigated and closed.
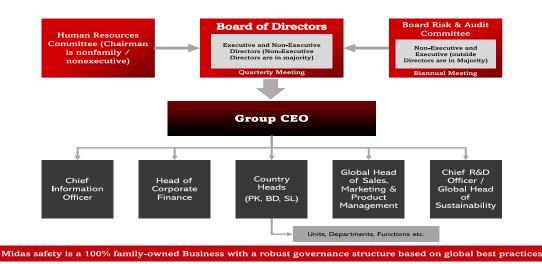
Governance framework

The Advisory Board (Board) is the apex governing body that has set in place a comprehensive governance framework for effective implementation of policies and oversight of group operations. The Board has approved a clear organizational structure with defined roles and responsibilities, organizational objectives, and reporting requirements for efficient operations as recommended by the CEO. The local laws of each region, our code of conduct, internal policies, and international commitments serve as guiding pillars for our governance practices.

The Board has approved the Central Idea which defines the strategic plan for the group and the CEO holds the responsibility for ensuring its implementation and updates at each Board meeting. The Board meets quarter to oversee progress against the agreed budget, strategic objectives, and overall reporting on all critical areas of the business in its current state and future outlook. The Board has constituted the HR and the Audit & Risk committees to further improve their oversight in these areas. The Board committees have defined charters for their respective areas and serve as recommending bodies to the Board where final decisions are made. The management and execution of responsibilities have been delegated to the Group CEO who works with the Leadership team, which is made up of Head of Sales, Marketing and Product management, Country Heads of each Region, Chief Information Officer, Chief R&D Officer (CRDO)/Head of Sustainability, and Head of Corporate Finance.

The Finance, HSE, Audit, Engineering & Projects, and Sustainability functions are managed at the Country level with factory-wide representation. The day-to-day operations are managed at the factory level with reporting to the Business Unit Heads & General Managers who report into the Country Head. This is what unites everyone in our global locations into one team & one organization who work together to achieve a common ambition.

Governance structure

PK – Pakistan, BD – Bangladesh, SL – Sri Lanka

The Board has established two committees, chaired by independent non-executive directors and they are, Board Audit and Risk Committee (BA&RC) and the HR Rewards and Remuneration Committee.

A Board of Directors' meeting calendar is issued annually that schedules matters reserved for discussion and approval. The full Board meets at least four times a year to review business performance and alignment for long-term planning.
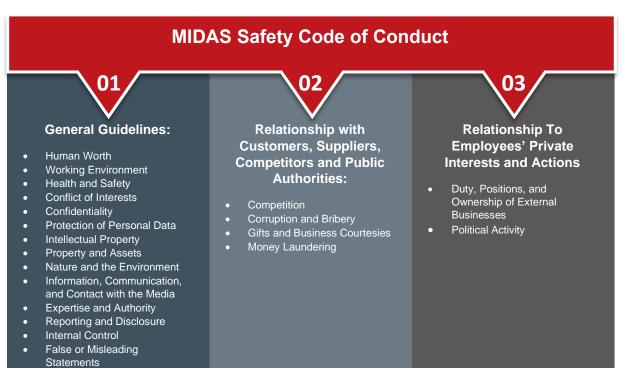
Our corporate principles

The Midas Safety Corporate Principles defines the way we do business and interact with our customers, suppliers, communities, and each other, every day. Driven by authentic leadership, a customer-centric approach, adaptable innovation, and transparent excellence, Midas Safety is led by empowered people who focus on creating systems, processes, and ways of working that deliver sustainability. This is what unites employees in our global locations into one team and one organization that works together to achieve a common ambition.

While we empower our employees to facilitate business decision-making, we hold them accountable for their actions. As they perform different tasks, employees are expected to conduct themselves in a manner that reflects positively on the company. During the performance management cycle, all employees are also evaluated and are given feedback on behaviors they demonstrated in line with our corporate principles and values.

The Board and management teams are supported by a comprehensive set of policies encompassing sustainability, expectation and conduct requirements, such as:

Code of conduct	**Anti-corruption and bribery**	**Environmental policy**
Human rights policy	**Diversity and inclusion**	**Supplier code of conduct**
Health and safety policy		

MIDAS Safety Code of Conduct

01
General Guidelines:

- Human Worth
- Working Environment
- Health and Safety
- Conflict of Interests
- Confidentiality
- Protection of Personal Data
- Intellectual Property
- Property and Assets
- Nature and the Environment
- Information, Communication, and Contact with the Media
- Expertise and Authority
- Reporting and Disclosure
- Internal Control
- False or Misleading Statements

02
Relationship with Customers, Suppliers, Competitors and Public Authorities:

- Competition
- Corruption and Bribery
- Gifts and Business Courtesies
- Money Laundering

03
Relationship To Employees' Private Interests and Actions

- Duty, Positions, and Ownership of External Businesses
- Political Activity

During the year, all incidents related to the Code of Conduct that were reported were fully investigated and identified actions were completed. We are in the process of formally issuing our whistleblowing / speak-up system to bring greater focus on our Code of Conduct for our wider stakeholders.

Risk management

Effective Risk Management is an integral part of our governance approach and is the reason for our continued success as a leading safety solutions provider. Our Risk Management Framework helps identify, prioritize, and manage risks based on threat, opportunity, likelihood, magnitude, and severity. The Board is assisted by BA&RC in the identification of risks and devising risk management strategies. At regional level, the responsibility for risk management lies with the Country Head and Executive Management Teams. The Risk Management Framework is comprehensive in nature and some of the main risks include commercial, financial, technology, compliance, operations, and sustainability risks.

Key elements of Midas Enterprise Risk Management (ERM) Framework

The Midas Safety ERM approach is based on the globally accepted COSO* framework: "Enterprise Risk Management - Integrating with Strategy and Performance" and hence complies with international best practices.

COSO defines Enterprise Risk Management as the culture, capabilities, and practices, integrated with strategy setting and performance, that organizations rely on to manage risk in creating, preserving, and realizing value.

The COSO framework provides a generic concept, which has been customized to reflect our requirements. The Midas Safety ERM framework consists of twenty principles categorized under five components, which are illustrated by the diagram below.

Governance and Culture	Strategy and Objective-setting	Performance	Review and Revision	Information, Communication, and Reporting
1. Exercises board risk oversight	6. Analyzes business context	10. Identifies risk	15. Assesses substantial change	18. Leverages information and technology
2. Establishes operating structures	7. Defines risk appetite	11. Assess severity of risk	16. Reviews risk and performance	19. Communicates risk information
3. Defines desired culture	8. Evaluates alternative strategies	12. Prioritizes risks	17. Pursues improvement in Enterprise Risk Management	20. Reports on risk, culture, and performance
4. Demonstrates commitment to core values	9. Formulates business objectives	13. Implements risk responses		
5. Attracts, develops, retains capable individuals		14. Develops portfolio view		

*COSO: Committee of the Sponsoring Organizations of the Treadway Commission

In 2021, all regions conducted their specific ERM Framework risk analysis and outlined the key risks and mitigation plans. Progress on these is reviewed periodically in the quarterly Board meetings.

The regional Internal Audit Department (IAD) reports to the BA&RC on a regular basis and supports the Board in meeting its objectives, by systematically evaluating the adequacy and effectiveness of the risk management and internal controls framework. The risk assessment is made on an annual basis while defining the annual business plan and is updated on a need basis. The Board reviews the risk assessment undertaken by the regional audit teams and business units to ensure alignment with the Board's defined risk appetite level. The stringent risk management measures coupled with strong governance have resulted in no non-compliances on the social and economic front in all operating regions.

BA&RC is assigned the responsibility to oversee the entire ERM process in accordance with the overall risk policy set up by the Board and accordingly report on the status. The BA&RC discusses the principles of risk assessment and management with the Board and to enhance the efficiency of its work, the BA&RC has set up a Core Risk and Internal Controls (CR&IC) committee.

CR&IC supports the Board Audit Committee (BAC) through its secretary on matters relating to the implementation, operation, and oversight of a progressive and effective ERM process and Internal Control System (ICS) for Midas Safety.

Sustainability management

Urgent concerns about climate change, water scarcity, plastic waste increasing poverty and inequalities have pushed sustainability to the mainstream globally. At Midas Safety, sustainability, remained a priority mainly through investments in employee well-being, environmental protection, education, health, and social benefit.

Sustainability Management System

The Board gets updates on what the management has done. It has agreed on targets for 2023 which were recommended by the management, it has agreed on the way forward on Sustainability, but the responsibility of the implementation is that of the management. There is a core committee consisting of Country Heads and the Head of Sustainability, led by the CEO. The sustainability council works on the day-to-day management of the sustainability initiatives along with each region's management. Both the core committee and the council meet monthly.

The Country Heads are responsible for the implementation of sustainable practices, integrating sustainability objectives, and achieving targets. The Country Heads are supported by the Executive Management in achieving defined KPIs. The Regional Sustainability Heads in Pakistan, Sri Lanka, and Bangladesh are responsible for the collection and review of monthly data against KPIs and coordinating with business units' teams for the effective implementation of policies. The regional sustainability heads report sustainability performance to Country Heads and present the information in monthly meetings of the Sustainability Council. The Global Head of Sustainability shares the sustainability scorecard with the Board on a quarterly basis.

The Core Committee on Sustainability and Sustainability Council consists of the following members:
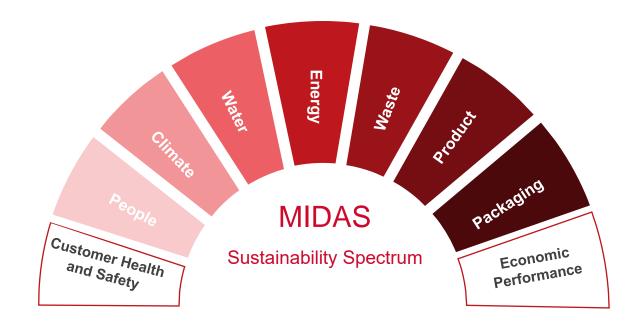
Midas Safety Sustainability Core Committee

Hussain Kassam	Group CEO
Zakir Abdi	CRDO and Global Head of Sustainability
Abbas Kassam	Country Head – Bangladesh and India
Raza Azar	Country Head - Pakistan
Ranjan Buell	Country Head - Sri Lanka

Midas Safety Sustainability Council

Zakir Abdi	Council Head
Karl Hoelscher	Consultant - Sustainability
Kashif Ali	Product Management
M. Safwan Farooqi	Regional Head of Sustainability - Pakistan
Golam Rahman Ronbi	BD Regional Head of Sustainability - Bangladesh
Ravish Birendra	SL Regional Head of Sustainability – Sri Lanka
Balaji PS	Regional Head of Sustainability - India

Our sustainability strategy is expressed through our Sustainability Spectrum. The Sustainability Spectrum manifests strategic sustainability areas and our focus to manage our material impacts that are listed on page 20 of this report.

MIDAS
Sustainability Spectrum

(Spectrum segments: Customer Health and Safety, People, Climate, Water, Energy, Waste, Product, Packaging, Economic Performance)

Role of Sustainability Core Committee

The Sustainability Core Committee:

- Sets out the role, responsibility, and mandate for the Sustainability Council.

- Primary function is to measure and monitor performance against sustainability targets.

- Integrates both business and sustainability priorities for each region to thrive.

Role of Sustainability Council

The Sustainability Council:

- Has the mandate to oversee overall progress on sustainability in all three regions.

- Develops programs concerning environmental and social matters, facilitates implementation, collects performance information including actions and progress towards meeting Midas Safety sustainability targets.

- Facilitates stakeholders' consultation and input on important sustainability matters.

STAKEHOLDERS AND MATERIALITY

Stakeholders' engagement

At Midas Safety, stakeholders' engagement is instrumental in building trust and being accountable to our stakeholders. Stakeholders are individuals, groups, or entities who are either impacted by our activities and business relationships or who can have an effect on Midas Safety successfully meeting its strategic objectives. We engage with a wide range of stakeholders who are prioritized according to relevance, importance, proximity, and willingness to engage. The table below contains the list of stakeholder groups, their key concerns and interests, mechanism of engagement, and our response.

Stakeholder Group	How we Engage	Key Topics and Concerns	Our Response
Investors/ Shareholders	▪ Performance reports ▪ Board meetings ▪ Direct engagement	▪ Financial performance ▪ Sustainability management including environmental and social aspects ▪ Compliance	▪ Focusing on delivery of committed results ▪ Development of sustainability policies and upgrading practices to manage impacts ▪ Ensuring compliance with applicable laws and customer requirements
Customers	▪ Sales teams ▪ Website ▪ Trade shows ▪ Customer Satisfaction Surveys	▪ Product quality ▪ Sustainable business practices ▪ Product packaging	▪ Research & Development (R&D) and operational excellence drives to develop new products, sustain, and improve 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
Employees	▪ Staff meetings ▪ Engagement Surveys ▪ Training events ▪ Dialogue with trade unions and worker representatives where applicable ▪ Events, e.g., sports and cultural activities	▪ Ensuring employee health and safety ▪ Remuneration and benefits ▪ Job security ▪ Training	▪ 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 demonstrated ▪ Development needs/training embedded as part of annualized performance evaluation. Internal training targets
Suppliers	▪ Direct engagement ▪ Supplier Code of Conduct ▪ Periodic supplier reviews and assessment ▪ Involvement in industry associations	▪ Requirements on sustainable supply chain ▪ Business continuity ▪ Product quality and specifications ▪ Supply chain disruptions	▪ Providing support to suppliers on transparent and ethical business practices ▪ Maintaining strong relationships with existing suppliers and list of alternative suppliers ▪ Working with suppliers to manage supply chain disruptions
Community	▪ Community events ▪ Press releases ▪ Social Media Platforms	▪ Employment opportunities ▪ Community development ▪ Environmental impacts	▪ Providing jobs through our operations and supply chain ▪ Donations to different institutions for community development ▪ Mitigating environmental impact of operations through sustainable initiatives
Regulators	▪ Direct engagement ▪ Industry association	▪ Compliance with applicable laws ▪ Payment of duties and taxes ▪ Environmental impact	▪ Meeting compliance requirements in all areas ▪ Strong Governance systems; Internal and External Audits

Materiality analysis

The materiality analysis helps determine material topics that are significant for our future performance, important to our stakeholders, and represent our major impacts on the economy, environment, and society. These material topics shape our sustainability strategy, resource allocation decisions, and form the basis of the contents in this report. To present reliable and credible information against globally recognized KPIs, we have used topics from GRI Standards and have mapped these with our Sustainability Strategy manifested in the form of our Sustainability Spectrum.

> Identification of sustainability topics representing Midas Safety impacts, relevant to Midas Safety and stakeholders

> Prioritization of sustainability topics based on severity of the impact, relevance to stakeholders and our strategic objectives

> Validation of sustainability topics based on the impact on financial performance, stakeholders' decisions, environment, and society

Material Topic	Why Material?	Midas Safety Sustainability Spectrum
Economic performance	Enables us to deliver value to our stakeholders	Economic performance
Procurement practices	Critical for delivering quality products through a resilient supply chain	Economic performance, Packaging
Material	Impact on profitability and environment	Economic performance, Packaging
Energy	Directly impacts profitability and carbon footprint	Energy, Climate
Water	Water scarcity and use of water in operations	Water
Emission	Directly contributing to climate change, reducing emissions is vital for long-term success	Climate
Effluents and waste	Reducing the negative impact on the environment and maintaining good community relations	Waste
Employment and labor practices	Providing jobs for economic development, compliance with applicable laws	People
Health and safety	Vital for continued operations, productivity and customers' and employees' health, compliance with appliable laws	People, Customer health and Safety
Training and education	Critical to develop skill and develop organizational capacity to deliver strategic objectives	People
Diversity and equal opportunity	As a fair and responsible employer, diversity leads to innovation and productivity, compliance with applicable laws	People
Child labor	Compliance with applicable laws, global labor conventions and customers' requirements	People
Forced or compulsory labor	Compliance with applicable laws and customers' requirements	People
Local communities	To support health and education in communities, encourage them to participate, offer livelihood opportunities to communities	People
Compliance	Upholding reputation as a responsible Corporate Organization. Critical for maintaining licenses to operate, business continuity and customer requirements'	Product, Economic performance

VALUE CHAIN AND IMPACTS BOUNDARY

	Product Development	Raw Materials	Manufacturing	Sales and Marketing	Distributors	Use	Disposal
	Our innovation teams work to develop products offering ultimate comfort and safety with minimal environmental impact.	We use cotton, rubber, synthetic and allied materials. Our focus is to manage social and environmental impacts in our supply chain.	Our manufacturing operations use energy, water, and generate greenhouse emissions and waste. We are exploring ways to make our processes efficient and reduce our footprint. Our operations are labor intensive, and we strive to ensure workers' rights.	Our sales and marketing teams work with our customers in the industrial, healthcare, and textile industry to provide quality products. Our customers place priority on social and environmental impacts, quality, price, and innovation.	Our products are delivered to customers directly as well as through distributors. Our work to manage the impact of our product from inception to end-users, takes into account impacts in product distribution and delivery.	Quality and innovation at Midas Safety have made us a preferred choice for hand protection around the world.	Our products are disposed through incineration or landfill at the end of useful life. The existence of chemical substances in our products are a challenge for safe disposal solutions. However, we are exploring opportunities for safe disposal to reduce end of life environmental impact.

Controlled by Midas Safety	Product Development		Manufacturing		Sales and Marketing	Distributors			
Controlled by others		Raw material suppliers	Process materials and finished goods suppliers				Logistic partners	Business customers and end users	End users and disposal contractors
Economic Performance	🔴	🟠	🔴	🟠	🔴	🔴	🟠	🟠	🟠
Procurement practices		🟠	🔴	🟠					
Material	🔴	🟠	🔴	🟠				🟠	🟠
Energy	🔴	🟠	🔴	🟠		🔴	🟠		
Water	🔴	🟠	🔴	🟠					
Emission	🔴	🟠	🔴	🟠	🔴	🔴	🟠		
Effluents and waste	🔴		🔴						🟠
Employment and labor practices			🔴						
Health and safety	🔴		🔴					🟠	
Training and education			🔴						
Diversity and equal opportunity			🔴						
Child labor		🟠	🔴	🟠					
Forced or compulsory labor		🟠	🔴	🟠					
Local communities			🔴						🟠
Compliance		🟠	🔴	🟠		🔴	🟠		🟠

SUSTAINABLE DEVELOPMENT GOALS

Midas Safety supports the United Nations Sustainable Development Goals (SDGs) consisting of 17 goals with 169 targets. The SDGs were agreed upon in 2015 to address problems encompassing economic, environmental, and social dimensions. In 2020, we started aligning our operations with our group's strategic sustainability goals which are expected to result in better management of our impacts and making contributions towards SDGs in the near future. We have identified the SDGs which are impacted by our value chain activities and operations as a first step.

Product development	Raw materials	Manufacturing	Sales and Marketing	Distributors	Use	Disposal
Research and development during new product development and upgrading existing products strongly contribute to responsible production and consumption.	Our sourcing decisions along with the promotion of sustainability in the supply chain help reduce impacts and promote responsible practices.	Our operational activities involve the consumption of resources and the generation of emissions and waste that impact environmental and social dimensions. Our aspiration to manage our operations efficiently will result in reduced negative impacts.	We promote responsible consumption and safety solutions through our marketing and sales practices.	Adopting low carbon solutions for product distribution help reduce environmental impact.	Our products ensure the safety of users, ultimately improving quality of life, and contributing to associated SDGs.	Safe disposal practices of our products at the end of useful life result in reduced environmental impact.

We plan to refine our approach as we progress on the path of embracing sustainability practices in our operations. Our strategy to align our policies and practices in support of SDGs and related targets in the coming years will enhance our contribution towards the goal of sustainable development.

QUALITY AND INNOVATION

Midas Safety products are a symbol of quality and innovation. Our continuous investment in Research and Development (R&D) demonstrates our commitment to pursuing innovation to deliver safety, comfort, and quality. Our innovative techniques consider technological advancements, changing customer needs, new developments in our industry, and increasing awareness regarding the environmental impact of our manufacturing operations.

Midas Safety has a global team with eight R&D facilities located in Pakistan, Sri Lanka, and Bangladesh. The R&D teams take a long-term perspective and consider the impacts of our products throughout their life cycle. Our products require stringent approvals in different countries to ensure compliance with applicable regulations in respective regions. We deliver high-quality safety products to our customers. We currently hold four product patents and six registered designs.

Our unique processes, materials, and textiles meet the performance benchmarks for mechanical performance, water repellence, comfort, breathability, chemical protection, and thermal insulation. Midas Safety ensures that stringent in-house and external tests and trials are conducted to comply with CE and ANSI standards, as well as REACH, Prop 65, and restricted substance legislation. Our approach to quality is manifested in our quality policy. We are committed to meeting customers' expectations through quality products, delivered on time. To keep abreast with customers' needs, we pursue customers' feedback that helps us to identify the improvements and development needs. Our quality management system reviews our performance against internally set benchmarks, KPIs, and industry standards to keep our products as the preferred choice of our customers.

Midas Safety's manufacturing facilities comply with a range of international certifications on quality, environmental management, occupational health, and safety as well as several industry-specific European and American product standards. Each facility has its own set of certifications based on business needs.

Certifications

Materials:

Systems:

Memberships and licenses:

Our brands

Ninja® is a premium quality brand that understands the needs of its customers and delivers through technological expertise. It delivers solutions made with cutting edge technology (science) and a philosophy of innovation through decades of experience (art).

Techtion® offers enduring and reliable products that last longer because of their superior quality and state-of-the-art technology, while still being affordable for the customer. Its extensive range of PPE provides the user with head-to-toe protection.

Valpro® is an affordable range of PPE that provides the maximum value to the customer with no compromise on safety standards.

Product testing and quality assurance

We have laboratories and in-house testing facilities to ensure product quality and consistency leading to customer satisfaction. All our laboratories are well equipped with calibrated testing equipment and our experienced technical professionals are continuously engaged to ensure products conform to specification. These include non-destructive and destructive mechanical testing, optical and microscopic analysis, physical measurements, chemical testing, and accelerated aging to estimate product shelf life. We have also partnered with renowned testing laboratories in Europe and USA to ensure compliance. We are also taking technical guidance from PPE specialists to prepare ourselves well ahead for any change in regulations and legislation.

Mechanical and chemical testing laboratories

Our external testing and certification partners:

HEALTH AND SAFETY

Health and Safety of our employees, contractors, visitors as well as our customers, is a top priority at Midas Safety and is managed through a structured and proactive approach that focuses on minimizing the probability of safety incidents.
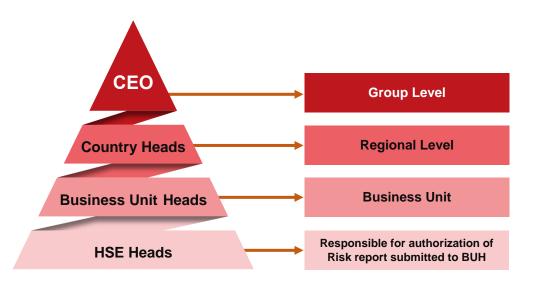
Target 2023

60% reduction in safety related incidents.

Safety management systems are in place in all three regions to cover the health, safety, and hygiene, of all team members. The safety management is based on OSHA and the legal requirements of the respective regions. Our comprehensive risk assessment system identifies potential hazards or gaps using different tools such as structured What-If analysis, failure mode, and cause-and-effect tools while adding a new process/machine, modifying a process or machine, and a cyclic system of risk analysis. Emergency response planning and procedures are part of risk management.

The output of the risk assessment results in a risk matrix that captures the significance of the risk and suitable response. Risks are mitigated using a hierarchy that starts with elimination, substitution, engineering controls, administrative controls, and use of PPE. All relevant managers are trained rigorously to identify significant risks systematically.

The CEO is responsible for the health and safety impact at a group level. The Board also reviews the safety scorecard of each region, quarterly, and in case there are any reported injuries, there is a discussion on each case. The Country Heads are responsible for the health and safety impacts at the regional level. Each business unit head of the respective business is responsible for the health and safety of the unit and is assisted by a Health and Safety Executive (HSE) team lead for different tasks. The head of HSE is responsible for the authorization of risk reports prepared by the business unit which are submitted to the business unit head for review, discussion, and action. Actions are determined based on the reports and follow-ups are planned for smooth implementation. These are also reflected in leading indicators and discussed in safety committee meetings.

CEO	→ **Group Level**
Country Heads	→ **Regional Level**
Business Unit Heads	→ **Business Unit**
HSE Heads	→ **Responsible for authorization of Risk report submitted to BUH**

Floor-level committees are part of an integrated organizational structure. Safety leads are appointed from the operations and each of them is assigned a group of workers. To guarantee the safety of workers and operations, Floor-Level meetings are conducted every day to discuss and report safety issues. The meeting minutes are shared in Safety Committee meetings. The committee meetings are an effective forum for instilling safety culture, discussing hazard identification, feedback from workers, and incidents, as well as for motivating workers and for conducting safety walks and talks. Our line managers are members of the Floor-Level Worker Committee. To implement safety, the line manager takes decisions up to the extent of even stopping an operation or a process until all safety measures are in place. In case further resources are required the matter is referred to the Safety Committee.

We provide specific as well as general training to the team members including on-the-job-training, chemical safety, hazard identification and reporting, evacuation routes, and emergency response. Workers and officers are repeatedly trained on emergency preparedness and response through drills and reminded of these in floor-level meetings. Simulated drills for firemen, emergency preparedness, and response teams are conducted regularly to train all employees on actions, evacuation routes to follow, locations of assembly points, and verification processes to ensure everyone has evacuated. A number of best-in-class safety protocols such as Permit-To-Work systems, Lock-Out-Tag-Out processes, operational audits of operational processes, and periodic inspection of critical safety switches and machine guarding reduce the chances of incidents and injuries.

The comprehensive incident investigation mechanism in Midas Safety includes authorization of investigation depending on the severity. The investigation covers interviews, root cause analysis, and visits to the site of the incident. The recommendations of the incident investigation teams are then formally presented to the Safety Committee where actions are determined, and follow-ups and responsibilities are also allocated with defined timelines. The mitigation procedure follows the hierarchy of risk.

Workers who operate in high noise areas or with other safety risks are tested for audiometry and provided with earplugs, eyeglasses, special suits, gloves, and relevant PPE. To ensure the health and safety of workers, in addition to on-site first aid facilities, we have arrangements to ensure extended healthcare facilities are immediately provided if needed. Safety Audits take place at each Business Unit annually to assess effective implementation of policies and guidelines and corrective action plans are created by the respective teams to continually improve and strengthen the safety management systems.

Work-related injuries

		Number and rate of fatality as a result of work-related injury		Number and rate of high-consequence work-related injures		Number and rate of recordable work-related injuries	
		Number of fatalities	Fatality rate	Number of high-consequence work-related injures	High-consequence work-related injuries rate	Number of recordable work-related injuries	Recordable work-related injuries rate
Pakistan	2021	Nil	Nil	Nil	Nil	14	0.10
	2020	Nil	Nil	Nil	Nil	13	0.12
Sri Lanka	2021	Nil	Nil	Nil	Nil	5	0.13
	2020	Nil	Nil	Nil	Nil	20	0.51
Bangladesh	2021	Nil	Nil	Nil	Nil	3	0.15
	2020	Nil	Nil	Nil	Nil	5	0.44

Fire Tender with Firefighting volunteers,

Midas Safety does not record contractor workers' injuries separately. In the current safety system, for greater ownership, all injuries to contractors, visitors or any such personnel who may not be a part of the permanent work force, are counted within the units' safety performance. Work-related hazards include work 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 employees worked 35,760,160 man-hours during 2021 which saw one instance of 1,175 kgs of chemical spillage in Sri Lanka with no other major containment losses at other manufacturing locations.

RESPECTING AND PROMOTING LABOR AND HUMAN RIGHTS

Respecting, protecting, and promoting the labor and human rights of workers in our operations and the supply chain is critical to being an ethical and responsible company. With over 11,000 workers employed in our operations along with workers in the supply chain, we are committed to following the applicable laws, regulations, and international conventions on labor and human rights. There is a risk of violations of labor and human rights in our labor-intensive industry which requires active commitment and actions to improve management of labor and human rights at the facility, organization, and industry level.

Our approach to managing labor rights is steered by policies, responsibilities, and a mechanism for performance monitoring and evaluation backed by the commitment of the Board. Respective HR Heads, through their HR and IR teams, are responsible for the identification of risks associated with labor and human rights, monitoring compliance with the policies and applicable laws, and recommending new policies and practices to the respective Country Heads.

In line with our approach, we have defined clear policies for protecting labor and human rights of our workers. The policy statements on the child, forced, and compulsory labor have been displayed at prominent locations and communicated to our supply chain partners. The policies are summarized below.

Policies and Expectations for Labor and Human Rights

Fair employment	We are committed to fair employment practices to promote diversity, inclusion, and productivity.
Child labor	Midas Safety does not employ children and strictly adheres to no child labor. A child is referred to as below 18 years.
Forced and compulsory labor	Midas Safety does not engage, or support forced or compulsory labor.
Human rights	Midas Safety respects and promotes basic human rights as defined in international charters for workers, partners, and communities.
Freedom of association and collective bargaining	Employees have the right to join or form trade unions as per applicable laws and bargain collectively without apprehension of reprisal.

We maintain and effectively communicate labor laws to workers as per the requirement of local law. Worker Management Councils (WMC) are established in each business and members are nominated who form the committee. We ensure that workers' representatives in the WMC are not subjected to discrimination and that the nominations are not based on race, color, caste, religion, political affiliation, or gender, etc. All employees receive training on their rights related to this policy on a regular basis. The Members of WMC are free to raise issues to management about employees' welfare concerns. The WMC meets quarterly, as prescribed in local law/standards.

During the year, no incidents were recorded at our operations where workers' right to Freedom of Association were at risk. Moreover, no cases of child labor, forced and compulsory labor, or violation of human rights were recorded at our operations. We support an open workplace atmosphere in which employees can speak with management about their grievances or problems in a constructive manner. Apart from our open-door policy, there are several avenues for employees to voice their problems, including union representation, worker-management committees, suggestion boxes, and complaint emails.

We have been working with our suppliers to manage labor and human rights impacts in our supply chain. Our suppliers are covered under different certifications, i.e., OEKO-TEX and SEDEX that mandate the extension of human rights clauses to suppliers. We are updating our supplier code of conduct to include our expectations regarding labor and human rights impacts from our supply chain partners. Until the code of conduct is revised and shared with the supply chain partners, reliable information is not available regarding the labor and human rights practices of our supply chain partners.

Labor and human rights initiatives

- All our employees are vaccinated for COVID-19 in Sri Lanka, Pakistan, and Bangladesh.

- We had vaccination drives for Cholera and Typhoid in Pakistan.

- In Pakistan, we joined hands with Aman Tech and conduced 13,340 hours of soft skills training **"Seekho aur Sekhao"** *(learn and teach)* for all staff at all factories to improve behavior and work ethics.

- Special days and events were celebrated to spread awareness (Mother's Day, Father's Day, Women's Day, World Environment Day, World Water Day, Anti-Tobacco Drive, Blood Donation Drive, Away Day, and Firefighting Day).

- Our sites had 9 SEDEX audits, where environment, business ethics, health and safety, and labor standards were checked and ratified by 3rd party auditors.

NURTURING OUR WORKFORCE

Our skilled workforce is vital for the continued success and maintaining a leadership position in thiscompetitive market. We strive to provide a productive working environment where all employees have the opportunity to thrive and showcase their potential thus contributing towards the success of Midas Safety. Our labor practices and policies ensure fairness in the workplace so as to improve the overall employee experience.

Each Country, led by its Head of HR, has full-fledged teams responsible for Human Resources and Industrial Relations who assume all people related responsibility and manage fair labor practices and ensure compliance to the local laws. We define targets for managing our impact and enhancing our employees' productivity on a yearly basis. Midas Safety has an effective performance management system, whichincludes formal objective setting processes and audit procedures to verify the quality and fairness of objective setting, periodic reviews, calibration, and extensive reviews which take place at multiple levels to ensure fairness and impartiality in awarding performance ratings.

Total Number of Employees

2021	11,786
2020	11,469

The Head of Human Resources at each operational location provides the performance data against targets to Country Head. The information and data is also consolidated and presented to the Board's HR committee, where our approach is evaluated to ensure best practices so that we can maintain an innovative and adaptive workspace in an ever-changing external environment.

Employees by Employment Type and by Gender

Employment type	2021		2020	
	Male	Female	Male	Female
Full time	7,949	3,837	7,831	3,638
Part-time	-	-	-	-
Total	**7,949**	**3,837**	**7,831**	**3,638**

Employees by Employment Contract and by Gender

Employment contract	2021		2020	
	Male	Female	Male	Female
Permanent	7,949	3,837	7,831	3,638
Temporary	-	-	-	-
Total	**7,949**	**3,837**	**7,831**	**3,638**

Employees by Employment Contract and by Region

	2021		2020	
	Permanent	Temp	Permanent	Temp
Pakistan	7,665	-	7,446	-
Siri Lanka	3,062	-	3,091	-
Bangladesh	1,059	-	932	-
Total	**11,786**	**-**	**11,469**	**-**

Hiring and Attrition Broken Down by Region

	2021	
	Hiring	Attrition
Pakistan	2,672	2,453
Siri Lanka	2,051	2,080
Bangladesh	1,250	1,123
Total	**5,973**	**5,656**

Hiring and Attrition by Gender

	2021			2021	
	Male	Female	Total	Male	Female
New Hires	3,618	2,355	5,973	60.5%	39.5%
Attrition	3,500	2,156	5,656	61.8%	38.2%

Midas Safety has set a target of 40% gender diversity by 2023. In 2021, we achieved 33% gender diversity. We are working aggressively to promote and encourage female employment on merit. Not only are we balancing the gender diversity within Midas Safety, but we are also mindful of having women in management positions.

International Women's Day, Pakistan

To achieve these two key targets, we have taken the following steps.

- Improving gender diversity and women in management.
- Creating a conducive working environment for all female employees.
- Offering day-care facilities to our employees.

Diversity and inclusion

Target 2023

To increase female workforce (gender diversity) to 40%.

New ideas, work procedures, and techniques emerge with the diversity and inclusion of our workers in our operations. We are focused on continuing to create a working environment that builds and thrives in diversity and inclusivity across our operations.

Gender diversity

	Pakistan	Sri Lanka	Bangladesh	Total
2021	30%	42%	21%	33%
2020	28%	44%	22%	32%

Women in management*

	Pakistan	Sri Lanka	Bangladesh	Total
2021	11%	27%	11%	15%
2020	10%	30%	11%	15%

*Officers and above

Training and education

Our approach towards training and educating our employees is based on identifying the gap between the required and their existing skills, thus allocating resources towards bridging this gap through through on-the-job training, in-house training, third-party training, coaching, mentoring and cross-functional assignments. We provide educational grants to employees who want to further their education and skills at various educational institutes. Midas Safety was among the first companies in Pakistan to roll out a soft skills training program for more than 5,000 workers by partnering with technical and vocational institutes.

Succession planning and building tomorrow's leaders are also key drivers of our annual training plans. With developments in technology, we have extensively used virtual training from world renowned institutes. Our focus is to build a culture of continuous learning and improvement throughout Midas Safety to nurture the talent of our employees and create a high-performing organization.

Training 2021

	Pakistan	Sri Lanka	Bangladesh	Total
Training Hours	53,979	47,822	6,577	108,378
Hours Per Employee	7.1	15.6	6.2	9.2

Target 2023

18 hours training per employee to be delivered to enhance skillset.

Training and engagement activities in Pakistan, Sri Lanka, and Bangladesh

INVESTING FOR BETTER COMMUNITIES

We support communities through philanthropy in the fields of education, healthcare, vocational training, disaster relief, women empowerment, microfinance, and community service. This provides goodwill for Midas in the areas where we operate and as a result is a great source of pride for our employees.

Our leadership teams at each location our identifying projects and recommending them to the Board CSR committee for approval. Once a project is finalized, the Board CSR Committee monitors the performance against targets and reports progress to Board members. Our community development programs are designed to collaborate with existing organizations and make donations to these organizations in line with defined priority areas. During the year, we contributed US$ 2.80 million to 38 different organizations to support defined causes compared to US$ 2.47 million in 2020.

Our operational sites in Pakistan are in the Export Processing Zone and Karachi Industrial Zone which are adjacent to the civic population except for Faisalabad. While in Sri Lanka and Bangladesh the operational sites are near the civic population.

Midas Safety CSR mandate

| Education | Healthcare | Vocational training | Disaster relief | Micro finance | Women empowerment | Community service | Old age homes |

During the pandemic, our core business of safety products naturally shifted to community investments in helping to protect frontline workers in healthcare and other industries. We donated gloves, protective clothing, and masks to hospitals. We also provided financial support to workers and communities during the COVID-19 outbreak.

Our CSR partners

Countries we serve through our CSR activities

Pakistan   **Sri Lanka**   **United Arab Emirates**   **Bangladesh**   **Tanzania**

Sector wise distribution

38%
EDUCATION & HEALTH – WELFARE

13%
EDUCATION

12%
HEALTHCARE

11%
COVID-19

6%
VOCATIONAL TRAINING

1%
MICRO FINANCE

1%
HUMAN TRAFFICKING

18%
MISCELLANEOUS

CSR at a local school, Bangladesh

Donation for COVID relief, Sri Lanka

Blood donation drive, Sri Lanka

Ambulance donation, Bangladesh

COVID relief, Sri Lanka

Medicine donation Covid 19 pandemic

Computers distribution at A C M high school, Bangladesh

CSR Initiatives

- 23,663 patients were provided medical test & treatment through donations from Midas Safety in Pakistan.

- 4,375 families were supported with ration/food aid in Sri Lanka during Covid 19 pandemic.

- Midas Safety donations enabled 3,181 students pursue their respective studies.

- With an investment of US$ 23,214 the central library of CMP School & College, Chattogram has been renovated.

- 3.6 million pcs of gloves, 747 pairs of scrubs, 498,000 3M masks, 6,000 testing kits donated for COVID-19 relief.

- US$ 75,000 donated to Avissawella hospital, Sri Lanka, for medical equipment and COVID-19 treatment.

MANAGING ENVIRONMENTAL IMPACT

Our products impact the environment due to the use of various raw materials, product manufacturing activities, and disposal. As the world faces climate change, the consequences of waste, especially plastic waste, and depleting finite resources, efficient management of operations is crucial to reduce further negative environmental impact. Moreover, our customers and communities require us to act as a responsible producer of safety products with minimal environmental footprint and to comply with applicable laws and regulations. We are committed to pursuing our business growth objectives with robust environmental management of our operations.

Our environmental management approach is proactive - with a focus on early identification of environmental issues and taking the necessary actions to mitigate the potential negative impacts. Our environmental policy and procedures guide our environmental management activities. The aspects of raw material, energy, emissions, water, and waste are dealt with at the operational sites. The data is recorded at respective sites, reviewed, and shared with the regional Sustainability Heads on a monthly basis. Key indicators are also reported to the Sustainability Council and the core committee on a quarterly basis as well as to the Board. We have systems in place to monitor our performance against KPIs and ensure compliance with the applicable laws and regulations. And this year we have enhanced our data collection processes and improved our review procedures.

The Health and Safety Managers at each operational site are responsible for managing environmental impact in line with our environmental policy. Training is provided to staff members to ensure they are abreast of the latest knowledge and techniques. We constantly invest to upgrade our facilities through the adoption of cleaner and more efficient technologies, better management of waste, and acquiring environmental licenses.

The environmental management approach is reviewed based on performance against targets and adjusted accordingly. Our continuous focus on efficient environmental management has resulted in no violation of environmental laws at our operational sites. Moreover, our operational sites were not subjected to any monetary & non-monetary penalties for non-compliance with environmental laws and regulations during 2021.

World Environment Day, Pakistan

Earth Day, Pakistan

Inauguration of solar power, Pakistan

World Quality Day, Bangladesh

TACKLING CLIMATE CHANGE

Climate change is one of the leading threats faced by humanity, according to the World Economic Forum Risk Report 2021. The rising temperatures are pushing boundaries and causing extreme weather patterns, floods, and droughts. The current situation requires urgent action through government policy shifts to enable the private sector to pursue greener technologies more aggressively. At Midas Safety, we are constantly looking for opportunities to reduce our impact through transitioning to low carbon technologies and exploring energy efficiencies and innovation.
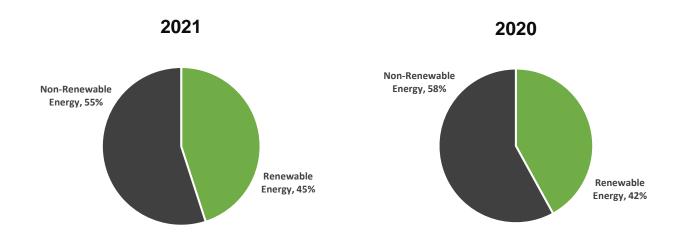
Energy consumption

Our operations use energy in the form of biomass, electricity, natural gas, diesel, and fuel oil. Our sites in Pakistan and Bangladesh use natural gas to generate heat and electricity while Sri Lankan operations use biomass extensively to generate thermal energy. Diesel is used to run backup generators and other equipment such as fire pumps. The corporate offices use electricity generated from third parties. We also use renewable energy sources and have a 1.03 MW installed capacity in the form of solar panels in Pakistan.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

	2021				2020			
	Pakistan	Sri Lanka	Bangladesh	Total	Pakistan	Sri Lanka	Bangladesh	Total
Energy consumption from renewable (GJ)	1,365	641,861	-	643,226	765	513,322	-	514,087
Energy consumption from non-renewable (GJ)	580,838	128,486	67,463	771,133	570,759	96,948	50,050	717,757
Total energy consumption (GJ)	582,202	770,348	67,463	1,420,014	571,524	610,271	50,050	1,231,845

In 2021, our production increased by 13% compared to the baseline year of 2020, correspondingly resulting in 15% higher energy consumption.

2021

Non-Renewable Energy, 55%

Renewable Energy, 45%

2020

Non-Renewable Energy, 58%

Renewable Energy, 42%

Energy Intensity GJ / DPe*

Year	Value
2021	0.0150
2020	0.0147

0.0120   0.0130   0.0140   0.0150

The energy consumption is recorded at each operational site and consolidated at the corporate level. We use US Energy Information Administration (EIA) and DEFRA UK to convert energy factors to Giga Joules.

Energy Initiatives
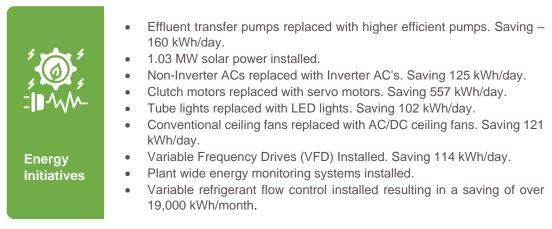
- Effluent transfer pumps replaced with higher efficient pumps. Saving – 160 kWh/day.
- 1.03 MW solar power installed.
- Non-Inverter ACs replaced with Inverter AC's. Saving 125 kWh/day.
- Clutch motors replaced with servo motors. Saving 557 kWh/day.
- Tube lights replaced with LED lights. Saving 102 kWh/day.
- Conventional ceiling fans replaced with AC/DC ceiling fans. Saving 121 kWh/day.
- Variable Frequency Drives (VFD) Installed. Saving 114 kWh/day.
- Plant wide energy monitoring systems installed.
- Variable refrigerant flow control installed resulting in a saving of over 19,000 kWh/month.

The total impact of energy savings in 2021 is 1,910 kWh/day (595,920 kWh/year or 2,145 Giga Joules)

Biomass heaters

Midas Safety is committed to sustainable manufacturing and minimizing our impact on the planet. Our investment in biomass heaters illustrates Midas Safety's commitment toward this end as well as maintaining a competitive edge. At our Sri Lankan manufacturing sites, we store wood from rubber trees that are uprooted at their end-of-life cycle and fast-growing local Gliricidia trees, before carrying out wood chipping for use, along with sawdust, as fuel for biomass heaters. The thermal energy is generated to heat thermic fluid (250°C) and process water (70°C) to carry out various production processes, including washing, drying and curing.

The daily consumption of 260 metric tons of biomass in our Sri Lankan operations is equivalent to saving 62 metric tons of fossil fuel. The use of biomass at the Midas Safety facilities in Sri Lanka is entirely sustainable. Trees are replanted for the next cycle of rubber and Gliricidia harvesting without negatively impacting on carbon footprint or deforestation.

Woods storage · Wood handling and preparation · Wood chipping · Wood chip handling and conveying · Biomass heater

Target 2023

- Reduce electricity consumption by 20%
- Reduce biomass consumption by 20%
- Reduce Natural Gas consumption by 10%

We have set 2023 targets to reduce electricity consumption by 20%, biomass by 20%, and natural gas by 10%. To achieve these stretch targets, and to reduce overall GHG emissions, we will take the following steps.

- Install energy-efficient equipment
    - Energy-efficient cooling solutions including air conditioners and chillers
    - Sensor controlled lighting
    - Replace low energy-efficient machinery
- Alternate energy projects
    - Install rooftop solar power systems
    - Install wind turbines
    - Install a small-scale hydel energy project to generate electricity from effluent water flow
- Energy conservation drives
- Energy-saving gas flow meters
- Improve oven efficiencies
- Invest in heat recovery projects
- Strengthen energy auditing and monitoring systems
- Finalize low-temperature fast-curing polymer systems
- Accelerate process improvement and Kaizen initiatives for energy saving

Greenhouse Gases (GHG) emissions

Target 2023

20% Reduction in carbon footprint.

GHG emissions are the result of the production process used to generate electricity, heat, steam, fuel used in vehicles, and different upstream and downstream operational activities.

- Scope I emissions are the result of fuel used in operations to produce electricity, heat, steam, fuel used in company-owned vehicles, and forklifts.

- Scope II emissions are the result of electricity purchased from third parties and used in our operations.

- Scope III emissions are the result of different upstream and downstream activities including transportation of raw materials, goods, and services to our operations, distribution of our products to customers, and waste-related emissions.

Our Scope I GHG emissions are subject to limits set by the respective countries' Environmental Protection Agencies. Emissions are recorded at each operational site and consolidated at the regional and corporate level.

GHG emissions

	2021				2020			
	Pakistan	Sri Lanka	Bangladesh	Total	Pakistan	Sri Lanka	Bangladesh	Total
Scope I	29,701	8,569	3,547	41,818	28,713	6,839	2,747	38,299
Scope II	5,342	14,396	2,816	22,554	4,662	13,232	2,147	20,040
Scope III	7,969	3,263	3,557	14,789	8,971	2,966	2,587	14,524
Total GHG Emissions (MT)	43,012	26,228	9,920	**79,161**	42,346	23,037	7,481	**72,864**

In addition to energy related initiatives and plans outlined earlier in this report, Midas Safety is also keen to reduce fugitive emissions, supply chain and transportation related GHG emissions impacts. We are taking the following steps to reduce these impacts:

- Supply chain planning to reduce air shipments, and trans-shipments.
- Increase local purchasing, by developing good vendors.
- Maximize import and export containers space utilization.
- Converting fossil fuel-based fork lifters and stacking equipment to electric-powered.
- Changing refrigerant systems to Hydrochlorofluorocarbons (HCFC) free, low carbon systems.
- Car-pooling of management staff to reduce carbon footprints.
- Shifting fossil fuel-based vehicles to Electric Vehicles (EV), wherever applicable.

GHG Calculation Assumptions:
Emission factors were sourced from DEFRA's Environmental Reporting: Guidelines for Company Reporting on Greenhouse Gas Emissions (2020). The base year for emission is 2020 for which reliable data was available.

Pakistan: For specific scope I and II factors considered from the Second National Climate change report 2016 presented to UN by Ministry of Climate Change Government of Pakistan.

Bangladesh: Emission factor for electricity was obtained from the grid emission factor (GEF) of Bangladesh published in 2013. National factors were only available for electricity, and Indian factors were used to quantify emissions from passenger transportation.

Sri Lanka: Indian GHG Program (2015), ICAO Carbon Emissions Calculator V10 (2017) and GHG Programs for 2017/2018 published by the Ministry of Power and Renewable Energy, Sri Lanka. The emission factor for electricity was obtained from the Sri Lanka Energy Balance Report published by the Sri Lanka Sustainable Energy Authority (2017).

Scope III emission calculations were based on assumptions as mentioned hereunder.

- Waste disposal - average quantities were considered for the months where the data was not available.
- Hazardous waste - considered under commercial and industrial waste as per the GHG protocol.
- Imports and exports - the closest port to the destination of the supplier was considered in the calculations.
- Wastewater treatment - the amount of water input was assumed to be equal to the amount of water output.
- Employee commute - home to pick up point distance is estimated.

Scope III emission calculation excluded waste transportation-related emissions as per the Zero Carbon® Guideline and imports and exports-related emissions considering the incoterms wherever applicable.

GREENHOUSE GAS INVENTORY
79,161 tCO₂e

2.9% 2,328 — ELECTRICITY T & D LOSSES

28.5% 22,554 — PURCHASED ELECTRICITY

0.1% 70 — BUSINESS TRAVEL

5.1% 4,040 — FUGITIVE EMISSIONS

46.0% 36,383 — STATIONARY COMBUSTION

4.4% 3,444 — DISPOSAL OF SOLID & LIQUID WASTE

4.0% 3,166 — EMPLOYEE COMMUTING

7.3% 5,780 — UPSTREAM TRANSPORTATION & DISTRIBUTION OF GOODS

1.8% 1,394 — MOBILE COMBUSTION

SCOPE 1 - DIRECT EMISSIONS FROM COMPANY-CONTROLLED ACTIVITIES (41,818 tCO₂e)

SCOPE 2 - INDIRECT EMISSIONS FROM PURCHASED ENERGY (22,554 tCO₂e)

SCOPE 3 - INDIRECT EMISSIONS FROM THIRD - PARTY TRANSPORTATION (14,789 tCO₂e)

GHG ASSESSMENT REPORTING PERIOD: 01ST JANUARY TO 31ST DECEMBER 2021

RAW MATERIALS AND RESPONSIBLE SOURCING

Target 2023

Increase Recycled material used in products to 48%.

Our products use different components including cotton, synthetic yarns, natural latex, man-made latices as raw materials, semi-processed components, process materials and packaging materials. The materials are renewable as well as non-renewable and are sourced from different countries, which inevitably has a negative effect on the environment. In addition, the manufacturing of our disposable products, including single-use products, impact on the environment from raw material sourcing to end-of-life disposal. In response to our customers' and our own, growing concerns, we are committed to producing high-quality products with minimal environmental and social impact.

We are exploring options to switch to more environment-friendly raw materials while maintaining the quality and comfort of our products. Customers in some jurisdictions are demanding products with the least environmental impact and biodegradable characteristics at the end of life. We are currently sourcing raw materials from different suppliers which have certain environmental certifications required in our industry. We will formulate a strategy to better manage environmental and social impacts through sourcing more environment-friendly raw materials, making trade-offs between different materials and by utilizing manufacturing processes with low carbon emissions.

Material used by weight

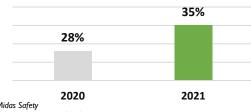| Material Consumption (MT)	2021				2020			
	Pakistan	Sri Lanka	Bangladesh	Total	Pakistan	Sri Lanka	Bangladesh	Total
Raw materials (Cotton yarn, latex, raw cotton)	905	826	112	1,843	1,157	1,377	87	2,621
Process material (Lubricants, Filter cloth)	17	1	7	25	22	-	4	26
Semi-manufactured goods (Chemicals, synthetic Yarns and Fabrics, Accessories)	41,577	38,738	6,141	86,456	36,105	30,393	4,358	70,856
Packaging materials	2,971	2,795	552	6,318	2,615	3,026	387	6,028
TOTAL (MT)	45,470	42,360	6,812	94,642	39,899	34,796	4,836	79,531

In our manufacturing processes, 5.6% of the total raw materials used were renewable materials. We are not only looking for biobased material options but also planning to increase recycled materials in our production. In 2021, we used 11,667 tons of recycled materials which is 12% of the total material used in production.

Recycled materials used

	2021				2020			
	Pakistan	Sri Lanka	Bangladesh	Total	Pakistan	Sri Lanka	Bangladesh	Total
Recycled Material used (Polyester, Cotton, Polycotton) **(MT)**	11,250	106	311	11,667	9,507	149	221	9,877

Recycled materials used in products

28% — 2020
35% — 2021

Renewable materials used

2021			
Pakistan	Sri Lanka	Bangladesh	Total
9.6%	1.95%	1.6%	5.6%

WATER

We understand our responsibility to minimize water withdrawal from shared water resources and return used water, free from pollutants to water sources. To do so, we promote water recycling, embrace new technologies, process efficiencies and treatment of process water before it is discharged into drains.

Our production operations that require leaching and washing are water-intensive and are dependent on the quality of freshwater. The quality of water is critical to ensure the overall quality of our products, especially examination gloves. We draw groundwater and use water supplied by the municipality and private suppliers but due to the use of different chemicals during production, the process water becomes polluted. The operational sites regularly test process water before discharge to ensure compliance with local Environmental Quality Standards. However, to comply with the best practices in effluent treatment and discharge, Effluent Treatment Plants (ETP) are being set up at manufacturing units to further reduce the impacts of discharged water. The ETP plant at one of our factories, Beltexco Limited, is expected to be operational by Q3-2022 with an investment of US$ 2.2 million and a processing capacity of 150,000 gallons (US)/day.

Midas Safety's Sustainability Data Management manual provides guidance on the measurement and monitoring of water consumption, which mandates the daily recording of all meter readings. All water sources have been mapped and a systematic process is in place to capture both purchase and consumption at each manufacturing site and office. Each facility is required to maintain a comprehensive water hierarchy, identifying the structure of water distribution and consumption. Midas Safety's Sustainability Roadmap sets goals for the reduction of water usage through conservation and process controls.

The water discharged into the drain may affect biodiversity value in the receiving body. While most of the used water discharge is in industrial drains, we have committed to actions to reduce the BOD and COD value in the discharge water. In line with our strategy, all business units are working on water conservation, water recycling, and upgrading effluent treatment plants to meet our water-related objectives in addition to finding raw material and process alternatives.

Water withdrawal

	Pakistan		Sri Lanka		Bangladesh	
Water withdrawal by source in ML*/year	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Surface water						
Freshwater (≤1,000 mg/L Total Dissolved Solids)	230.08	187.60	869.45	944.22	71.02	40.90
Ground water						
Other water (>1,000 mg/L Total Dissolved Solids)	331.57	340.31	-	-	-	-
Total water withdrawal (ML)	561.65	527.91	869.45	944.22	71.02	40.90

*ML = Mega liters (one million liters = one Mega Liters)

The quantity of water supplied by the municipality and private parties is extracted from utility bills while the quantity of groundwater is derived from actual measurements where flow meters are installed and through flow rate estimation where flow meters are not available.

Our water stewardship approach is currently focused on our operations; however, we plan to extend the same to our supply chain and reduce the water impact of our supply chain, especially on water-intensive raw materials such as cotton through efficient water management.

Although our production increased by 13% in 2021 compared to 2020, we were able to keep the water withdrawal level steady through several initiatives, as a result of which water withdrawal was reduced by 1%. We plan to reduce water in the coming years mostly through process improvement, especially by promoting WoW (Without-Washing) product manufacturing, which will have a major impact on water consumption.

Water Initiatives

- The rainwater harvesting plant at Bangladesh operations is installed.
- Water meters put in places to monitor consumption and to identify areas of high-water consumption.
- Fixing all kinds of water leakages to reduce water wastage and consumption.
- Induction of state-of-the-art washer extractor, replacing old washing machines, saving 200 M^3 water per month.
- Use of Ultra Filtration Backwash water, saving 208 M^3 water per month.
- Re-use of cooling tank overflow water through heat recovery system.

ETP under construction, Pakistan

ETP in Sri Lanka

Rainwater harvesting system, Bangladesh

PROCESS IMPROVEMENTS AND WASTE

To maintain a competitive edge, and our long-term success, we continuously improve our processes, minimize operational costs, and manage waste generated from our operations. Rising plastic waste is becoming a threat to life on land and in the water and the waste that goes to landfills or below water has a long-term environmental impact.

At Midas Safety, our strategy is to increase process optimization, identify opportunities to reduce waste generated from operations, divert waste from disposal and dispose of waste properly as per applicable laws and regulations. Our waste reduction strategy revolves around the 5R approach i.e., Reduce, Remove, Refuse, Reuse, and Recycle in line with circularity.

Target 2023
- Reduce 40% waste
- Reduce 30% food waste
- No hazardous waste to landfill

The Midas Safety Sustainability Data Management manual provides clear direction on the identification, measurement, monitoring and reporting of waste generated from all facilities. All types of waste are quantified in kilograms and accurately reported in daily and monthly waste registers. Waste is recorded at each site under two broader headings hazardous and non-hazardous waste. Non-hazardous waste is analyzed for reuse, recycling and disposal. Hazardous waste is stored separately, and suitable warning signs are displayed to ensure the safety of our employees.

Our production processes use a wide range of chemicals and hazardous materials. Our HSE policy and waste handling procedures require safe handling and disposal of hazardous materials to ensure the safety of our people, our communities and the environment.

Waste by composition

		2021			2020		
		Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal
PAKISTAN	Hazardous	156	153	3	269	265	4
	Non-hazardous	4,219	4,159	60	4,142	3,997	145
	Total waste	**4,375**	**4,132**	**63**	**4,411**	**4,262**	**149**
SRI LANKA	Hazardous	14	14	-	2	2	-
	Non-hazardous	586	310	276	335	63	272
	Total waste	**600**	**324**	**276**	**337**	**65**	**272**
BANGLADESH	Hazardous	16	16	-	14	14	-
	Non-hazardous	294	283	11	263	254	9
	Total waste	**310**	**299**	**11**	**277**	**268**	**9**
TOTAL (metric tons)	Hazardous	186	183	3	285	281	4
	Non-hazardous	5,099	4,752	347	4,740	4,314	426
	Total waste	**5,285**	**4,935**	**350**	**5,025**	**4,595**	**430**

Midas Safety has taken several initiatives to divert waste to a useful purpose. Details are available on page 45 of this report. We are working actively with our supply chain partners to reduce packaging waste of raw materials. We are also communicating with our customers to reduce packaging materials and explore all viable options to use recycled materials and plastic-free packaging by 2023.

Waste Reduction Initiatives

- Paper reduction through simplification and digitization.
- Use of fabric bags internally to reduce single use plastic bags.
- Use of automatic feeding system to reduce polymer compound waste.
- Compact packaging by reducing the polybag size. Saving 600 kg of plastic per month.
- Reusing of paper cones and used cartons internally.
- Making furniture from broken pallets to reduce wood waste.
- Replaced production flow cards with machine readable barcodes for traceability on floors.
- Reduced packaging of several raw materials to bulk packaging.
- Through continuous monitoring and education, reduced food waste by 14%.
- Recycling of fabric cuttings in Fiber Processing Unit and converting it back to yarn.

Waste diverted to disposal-by-disposal method (metric tons)

PAKISTAN		2021			2020	
Hazardous waste	Onsite	Offsite	Total	Onsite	Offsite	Total
Incineration (with energy recovery)	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	-	-
Landfill	-	-	-	-	-	-
Other disposal operations*	-	3	3	-	4	4
Total	-	3	3	-	4	4
Non-hazardous waste						
Incineration (with energy recovery)	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	-	-
Landfill	-	-	-	-	-	-
Other disposal operations	-	60	60	-	145	145
Total	-	60	60	-	145	145

SRI LANKA		2021			2020	
Hazardous waste	Onsite	Offsite	Total	Onsite	Offsite	Total
Incineration (with energy recovery)	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	-	-
Landfill	-	-	-	-	-	-
Other disposal operations	-	-	-	-	-	-
Total	-	-	-	-	-	-
Non-hazardous waste						
Incineration (with energy recovery)	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	-	-
Landfill	-	-	-	-	-	-
Other disposal operations	-	276	276	-	272	272
Total	-	276	276	-	272	272

BANGLADESH		2021			2020	
Hazardous waste	Onsite	Offsite	Total	Onsite	Offsite	Total
Incineration (with energy recovery)	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	-	-
Landfill	-	-	-	-	-	-
Other disposal operations	-	-	-	-	-	-
Total	-	-	-	-	-	-
Non-hazardous waste						
Incineration (with energy recovery)	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	-	-
Landfill	-	-	-	-	-	-
Other disposal operations	-	11	11	-	9	9
Total	-	11	11	-	9	9

MIDAS SAFETY GROUP		2021			2020	
Hazardous waste	Onsite	Offsite	Total	Onsite	Offsite	Total
Incineration (with energy recovery)	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	-	-
Landfill	-	-	-	-	-	-
Other disposal operations	-	3	3	-	4	4
Total	-	3	3	-	4	4
Non-hazardous waste						
Incineration (with energy recovery)	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	-	-
Landfill	-	-	-	-	-	-
Other disposal operations	-	347	347	-	426	426
Total	-	347	347	-	426	426

*Other disposal operations
1. In Pakistan and Bangladesh, our units In Export Processing Zones handover their waste to authorities for disposal as per local rules.
2. In Sri Lanka, the solid waste is incinerated by a third-party contractor as per the local laws.
3. In Pakistan, factories out of Export Processing Zone, sell off all industrial waste. Domestic waste constitutes very little quantity and is handed over to waste collectors. We do not dump any waste to landfill.

Initiatives to convert waste into useful products

21.4 Tons
Food waste fed to animals

15.8 Tons
Broken wooden pallets as firewood

13.6 Tons
Plastic and paper cone recycled

6.7 Tons
Used cartons are converted into new boxes

4.7 Tons
Metal scrap is rerolled

4.2 Tons
Plastic drums are converted into electrical conduits

3.9 Tons
Food waste converted into compost

1.3 Tons
Sludge (rubber waste) converted into rubber mats

PRODUCT STEWARDSHIP

The growing demand for environmentally friendly products is a key driver to reducing the environmental impact of our products, at each stage of their life cycle. Increasing awareness of social concerns, labor and human rights and plastic waste is also raising customers' expectations. We are committed to reducing the consumption of hazardous chemicals as well as regularly assessing our products to ensure customer health, safety and comfort. To safeguard the health and safety of our end users, we annually conduct comprehensive chemical testing on a selected product range, covering the majority of our raw materials. These additional tests ensure that our products conform to EU and Reach regulations.

Target 2023

Reduce Hazardous Chemical consumption by 20%

Midas Safety is committed to using recycled and re-generated materials as much as possible. Our operations are vertically integrated from spinning to the end-product and as a result we have taken severalinitiatives to take part in the sustainability drive at each stage of the production process until the final product. Our spinning mill in Pakistan is GRS (Global Recycle Standard) certified and serves over 150 customers. We use 40% virgin material and the remaining 60% are all recycled materials that are blended to produce yarns that go into socks, denim fabrics and other hosiery products. Similarly, one of our stitching units in Faisalabad has also acquired GRS certification. We are using organic Cotton in some of our products and have a BCI (Better Cotton Initiative) certificate.

Once our products have been used, (except for Workwear and Protective Clothing) they are incinerated or disposed off in landfills. This raises the issue of waste management, especially in the wake of a pandemic where used PPE are increasing waste levels. We feel that getting the required GRS certification for spinning yarns and for stitching operations are positive steps towards making products recyclable. This is the shift starting from design, selection of raw materials, production processes and end-of-life use or disposal of products.

We have a fiber processing unit in Pakistan that uses textile waste and converts it into fibers and then into yarns and fabrics. We are therefore recycling, not only some of our own textile waste, but also buying waste from other markets to convert it into finished products. Our R&D teams in all three regions are working aggressively to reduce or eliminate the consumption of hazardous chemicals in our processes by focusing on solvent-free processing, solvent recovery and recycling back in operation where the use of solvents are unavoidable.

Demand for biodegradable and accelerator-free products is also increasing in our industry to make products more environmentally friendly. Although it will result in reducing the impact of our products, a broader contextual move is required for curtailing rising waste levels. Moreover, the carbon footprint of biodegradable products will be one of the decisive factors in this shift. In Sri Lanka and Pakistan, we have Recycled Claim Standard (RCS) certification. This certification ensures that the identity of the recycled material is maintained from the recycler to the final product.

Midas Safety's eco-friendly product range

PACKAGING

Target 2023
Eliminate 100% Plastics from packaging.

Packaging waste is one of our primary focus areas. Our packaging is designed to cater to the safety, cleanliness, performance and shelf life of our products. Our packaging is also derived from varying regulatory requirements in different markets. We are constantly working towards reducing packaging waste and exploring packaging materials with reduced environmental impact. We are encouraged by our customers who share the same concerns to reduce packaging waste, especially plastic materials. We are aware that it will require a shift, not only in our operations but also within the supply chains, however we are optimistic as we have the support of our customers and regulators. In 2021, we have carried out several trials in all our factories to replace plastic packaging with paper, to reduce the weight of the plastic wrappings that are used, to shift to craft paper and to reduce the weight of the cartons.
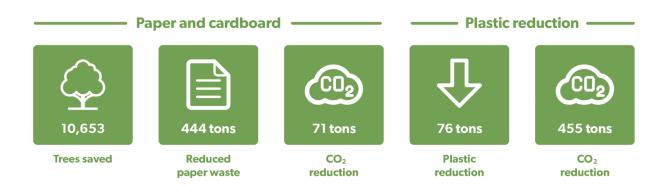
Packaging Initiatives

- Promoting recycled paper in packaging.
- Reducing plastic polybags from 60 microns to 30 microns.
- Using plastic polybags with 30% recycled material.
- Replacing plastic hooks with paper hooks, plastic polybags with paper wrap packaging.
- Promoting bulk packaging instead of individual product packaging.

Sustainable packaging initiatives impact in 2021

Paper and cardboard			Plastic reduction	
10,653	444 tons	71 tons	76 tons	455 tons
Trees saved	Reduced paper waste	CO_2 reduction	Plastic reduction	CO_2 reduction

ENHANCING ECONOMIC RETURNS

Economic stability and healthy returns are vital for maintaining a leadership position and investing in sustainable practices. Our stakeholders' economic returns are tied to the success of Midas Safety as a leading safety solutions provider, meeting customers' expectations of quality and comfort. Our operational activities result in direct and indirect economic impacts. Direct economic impact includes payment of taxes & duties to government, payment of salaries & benefits to the employees, payment to suppliers for goods & services, payments of debt capital as well as investment in communities. On the other hand, indirect economic impact includes jobs in the supply chain, economic development around our operational sites and innovation in the industry.

The Board defines the direction and approves the annual budget. The CEO and the entire operational team of Midas Safety have the responsibility for economic management. The Country Heads are responsible for meeting the targets within their territories in line with group policies and operational guidelines. The operational performance against our targets is reported quarterly to the Board for discussion and evaluation. Based on the discussion and review, the approach is adjusted accordingly.

Through our focus on operations, we have been able to maximize returns from efficiencies. Sustainability is one of our corporate objectives and an element of our principle of sustainability is the ability to equally manage expectations of shareholders, employees, customers and the future needs of the company. The future needs of the company include projects such as solar projects, environmental projects, re-skilling people and acquiring new technologies. We believe this approach will help us generate greater returns to remain competitive and operate, not only in the short term but also for the sake of future generations.
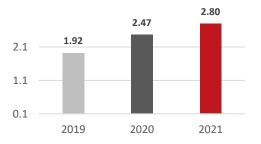
Sales volume

Year	Industrial Safety Gloves	Workwear and Protective Clothing	Yarn and Fabric
	('000 Dozen Pairs)	('000 Pieces)	(Metric Tons)
2021	65,053	2,570	8,832
2020	57,233	2,312	8,280
2019	53,276	2,379	8,292

Direct economic value generated and distributed (MN US$)

REVENUES

| | 2019 | 2020 | 2021 |
| | 248.94 | 244.26 | 325.88 |

SALARIES AND WAGES

| | 2019 | 2020 | 2021 |
| | 42.42 | 40.90 | 45.21 |

COMMUNITY INVESTMENTS

| | 2019 | 2020 | 2021 |
| | 1.92 | 2.47 | 2.80 |

PAYMENTS TO GOVERNMENT

| | 2019 | 2020 | 2021 |
| | 4.73 | 6.67 | 13.10 |

SUPPLY CHAIN

The impacts of our products and activities are not only from our operations but are also influenced by the supply chain. The procurement of capital equipment and raw materials, upstream transportation of raw materials to our manufacturing facilities, and downstream transportation of our products and finished goods to distribution centers, result in environmental and social impact spread across all regions.

Our customers and other stakeholders expect us to manage impact in our supply chain as well as in our operations. With operations clearly within our control, we focused internally first on implementing sustainability practices and introducing processes, systems, and technologies at our production sites. Over time, we have extended these practices outwards and have reached a stage where we can now focus on sustainability throughout the end-to-end supply chain.

The Head of Procurement at each operational site is responsible for procurement operations in line with our procurement policy. We have a well-defined procurement policy outlining the objectives, procurement procedure, and responsibilities. The policy is evaluated annually, based on which, revisions are carried out if required. Our approach to managing our supply chain is to procure maximum requirements from our local suppliers in each country, however where this isn't possible due to the quality not being up to par, we import such materials. There were no major changes in the supply chain during the year.

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

Proportion of spending on suppliers by location

	Pakistan		Sri Lanka		Bangladesh	
	Local procurement	Foreign procurement	Local procurement	Foreign procurement	Local procurement	Foreign procurement
Mn US $	48.62	56.65	40.6	58.9	4.2	16.7
Percentage Local vs Imports	46.2%	53.8%	40.8%	59.2%	20.2%	79.8%

The extensive processes, activities, and documentation of transactions in the supply chains themselves have an impact that can result in potential savings. The better planning of small orders and the consolidation of small shipments with agreement from customers and effective space utilization within containers may not appear to be significant activities, however, they too have an impact that can be alleviated through better planning and process improvements. Meanwhile, leveraging our ERP systems internally we have minimized physical documentation as much as possible and we have reduced paper usage by promoting electronic workflows in all functions including HR and Finance. Except for legal documents which need to be maintained in hardcopy as per regulatory requirements, all process manuals, policies, and records that were previously printed out and filed as hard copies, are all now stored in cloud-based databases as softcopies. Any additional amendments or updates are carried out electronically.

We have successfully integrated our order management system with selected customers, using electronic data interfaces and we plan to expand this to more customers going forward. Our regular documents such as purchase orders, payments and pay slips which were printed in the past, are all electronically transmitted to suppliers, banks and employees respectively. In a similar manner, we have limited paper-based information exchange between units, production floors and warehouses through real-time electronic interfaces. Although these may seem like small initiatives, they have been a source of inspiration and have brought momentum to the collective attitude of environmentally conscious and responsible ways of working.

MAKING SAFETY SUSTAINABLE TOGETHER

MAKING SAFETY SUSTAINABLE TOGETHER

External Assurer Report

Independent Assurance Statement for Midas Safety'

Sustainability Report 2021

Sustainability Australia' and HSE Vision approach to the independent assurance of sustainability reports is to ensure that the published information is suitable, accurate and correct. This is done as a desktop assessment in the context of stakeholder needs and expectations and the standards utilised by the organisation. As such, the focus is strongly on the data sets and the processes to ensure consistently achieving results. The intent is to provide the reader with confidence in the information. Sustainability Australia and HSE Vision utilises highly competent assessors with suitable qualifications and global operational experience.

Consistent with the Global Reporting Initiative (GRI) sustainability report generation core option, the review had essentially two focuses: report content and report quality. With respect to content, the stakeholder inclusiveness, sustainability context, materiality and completeness were considered. With respect to quality, accuracy, balance, clarity, comparability, reliability, and timeliness were considered.

It is our view, based on the information assessed and the sample assessed, that the report is accurate and reflective of the current position at Midas Safety. The reader can have confidence in the report.

The following was identified during the assurance assessment:

This is Midas' first sustainability report. Making this step has been an important one, however it is seen as an initial step. At this stage the focus is on manufacturing in three countries, Bangladesh, Pakistan and Sri Lanka. The rest of the business is not included; however, evidence was available to demonstrate that work is underway to establish a baseline to ensure capability to include in future reports.

Leadership / Top Management commitment was clearly evident. The CEO Hussain Kassam suggests that "to contribute to addressing the fragility of the entire ecosystem, our Board and leadership team have taken concrete steps to enable fast-tracking our sustainability initiatives and managing our impacts.". He has driven the following: "safety first, respecting the environment and giving back."

Sustainability and social responsibility have been incorporated into the vision and is being made a reality via the business strategy. This revolves around 7 pillars People, Climate, Water, Energy, Waste, Product & Packaging. Progress in these areas is driven by the Sustainability Council, the Core Committee and the Board. Within the regions, progress has been driven by Regional Sustainability Teams, who report into the Regional Heads who report to the Head of Sustainability who is a member of the Sustainability Council and the Core Committee.

Midas Safety utilise management systems as their mechanism for ensuring control. There is clear evidence of these systems being audited and certified externally. Examples of this include ISO 14001, 45001 and 9001 certifications. In addition, there are a number of other certifications. This both provides assurance as well as drives continual improvement.

Midas Safety has a rigorous mechanism for the collation of data which was found to be rechecked by the Internal Audit Department for consistency, reliability, and comparability.

Whilst Midas Safety is a family business, it has developed a robust governance structure that includes the use of non-family independent board members, and the use of a rigorous audit process including external audit by PWC.

Validation

As a sample, the following were validated as part of the limited assurance assessment:

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People: Community development is broad with the key focus being Health and education and financial support for the betterment of the life of individuals

The business also has a strong focus on gender equality, occupational health and safety, child labour and modern-day slavery within the business.

With respect to Health and safety, there is an opportunity to enhance the reporting culture.

Climate: GHG emissions have increased by 9% over the baseline. It is suggested that future reports provide information on the reduction strategies in a way that will provide confidence in the ability to achieve the targets.

Water: Water withdrawal was reduced by 1% compared to the baseline. In light of the significance and availability of the resource, this will need to be a near term focus.

Energy: There has been a 15% increase on energy consumption with a 3% increase in the percentage of renewable energy. In light of the fact that a significant amount of the stated renewables is biomass in Sri Lanka, it is suggested that greater clarity on the approach to traceability in the supply chain and evidence of replanting be included in future reports.

Waste: Waste generated has increased by 5% with Food Waste reduced by 14%. In light of the fact that there is only minimal amounts of waste stated as being disposed of, it is suggested that future reports include greater clarity on the outcomes of waste.

Product: Recycled material constitutes 12% of the total material used in production. An important strategy has been the use of a fibre processing facility which converts internal and external textile waste to fibres and subsequently into yarn and fabric.

Packaging: A key focus has been the replacement of plastic with recycled material, largely paper based, and reducing the amount of plastic through the use of thinner material. The plan is to remove plastic packaging material entirely by 2023.

Midas' targets and performance measures are relative to the baseline and are absolute quantities. There has been a 13% increase in production and there is an expectation of continued increased volumes. As such, the actual performance to attain the goals and objectives is actually greater than the stated targets.

There is an opportunity to focus on the impact within the supply chain, including assessment and control examples include assessment of control and performance with respect to child labour, modern day slavery, water usage, waste management, etc.

In summary, Midas has initiated a significant change, however there is still work required to ensure a robust culture that contributes to ongoing achievement of results year upon year. It is our view that the report is reflective of the status at Midas Safety.

David Hunt

CEO

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GRI CONTENT INDEX

The GRI content index serves as a navigation tool to locate the contents of the report. The GRI Standards together with the related disclosures are listed and each disclosure is referred to the relevant page in this Sustainability Report or other publicly available source.

KEY

Fully disclosed
Partially disclosed
Not disclosed

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	FULLY DISCLOSED, PARTIALLY DISCLOSED, NOT DISCLOSED
GRI 101: FOUNDATION 2016	GRI 101 contains no disclosures.		
GENERAL DISCLOSURES			
GRI 102: GENERAL DISCLOSURES 2016	**ORGANIZATIONAL PROFILE**		
	102-1 Name of the organization	8	Fully disclosed
	102-2 Activities, brands, products, and services	8-10	Fully disclosed
	102-3 Location of headquarters	11	Fully disclosed
	102-4 Location of operations	11	Fully disclosed
	102-5 Ownership and legal form	11, 14	Fully disclosed
	102-6 Markets served	8, 11	Fully disclosed
	102-7 Scale of the organization	9	Partially disclosed
	102-8 Information on employees and other workers	29	Partially disclosed
	102-9 Supply chain	49	Fully disclosed
	102-10 Significant changes to the organization and its supply chain	8,49	Fully disclosed
	102-11 Precautionary Principle or Approach	34	Fully disclosed
	102-12 External initiatives	23-24	Fully disclosed
	102-13 Membership of associations	10, 23-24	Fully disclosed
	STRATEGY		
	102-14 Statement from senior decision-maker	3	Fully disclosed
	ETHICS AND INTEGRITY		
	102-16 Values, principles, standards, and norms of behavior	12	Fully disclosed
	GOVERNANCE		
	102-18 Governance structure	14-18	Fully disclosed
	STAKEHOLDER ENGAGEMENT		
	102-40 List of stakeholder groups	19	Fully disclosed
	102-41 Collective bargaining agreements	28	Partially disclosed
	102-42 Identifying and selecting stakeholder	19	Fully disclosed

	102-43 Approach to stakeholder engagement	19	
	102-44 Key topics and concerns raised	19	
	REPORTING PRACTICE		
	102-45 Entities included in the consolidated financial statements	4	
	102-46 Defining report content and topic boundaries	20	
	102-47 List of material topics	20	
	102-48 Restatements of information	4	
	102-49 Changes in reporting	4	
	102-50 Reporting period	4	
	102-51 Date of most recent report	Not Applicable	
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	103-3 Evaluation of the management approach	34-35	
GRI 302: ENERGY	302-1 Energy consumption within the organization	35	

2016	302-4 Reduction of energy consumption	36	
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GLOSSARY AND ACRONYMS

BOD	Biological Oxygen Demand
COD	Chemical Oxygen Demand
CSR	Corporate Social Responsibility
DP	Dozen Pairs
KPI	Key Performance Indicator
GRI	Global Reporting Initiative
SDG	Sustainable Development Goals
GHG	Greenhouse Gases
HIRADC	Hazard Identification Risk Assessment and Determining Control
ETP	Effluent Treatment Plant
HSE	Health Safety and Environment
HCFC	Hydrochlorofluorocarbons
ERP	Enterprise Resource Planning
ERM	Enterprise Risk Management
BA&RC	Board Audit and Risk Committee
CR&IC	Core Risk and Internal Controls
BAC	Board Audit Committee
ICS	Internal Control System
COSO	Committee of the Sponsoring Organizations of the Treadway Commission
HR	Human Resources
IR	Industrial Relations
IAD	Internal Audit Department
WMC	Worker Management Council
MMBTU	Metric Million British Thermal Unit
MMSCF	Metric Million Standard Cubic Feet
KWH	Kilo Watt-Hour
MW	Mega Watt
GJ	Giga Joules
ML	Megaliters
MT	Metric Tons
CFP	Carbon Footprint
VFD	Variable Frequency Drive
Prop 65	California Proposition 65 (Safe Drinking Water and Toxic Enforcement Act 1986)
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
ANSI	American National Standards Institute
NEQS	National Environmental Quality Standards
NGO	Non-Government Organization
DEFRA	Department of Environment, Food and Rural Affairs, Govt of UK
GEF	Grid Emission Factors
SIGNIFICANT LOCATION	Locations where offices and plants are located

MIDAS
SAFETY

Making Safety Sustainable

> *"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."*
>
> **United Nations Brundtland Commission on sustainability**

🌐 midassafety.com