KOMAR

Sustainability progress report

2025

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(Frameworks, methodologies and data validation)

1 — Introduction

A message from Komar's Chief Executive Officer

As Komar has grown over the past century, the world around us has changed dramatically. With environmental pressures more urgent than ever, we've worked to reimagine our business so that sustainability is not treated as a separate initiative, but embedded throughout our processes end to end.

From how we source and make products, to how we operate as a company every day. Sustainability is an ongoing and evolving responsibility, and each year we revisit our goals, measure our progress transparently, and identify new opportunities to improve as the world continues to change.

This report reflects the progress we made throughout 2025. Over the past year, we've strengthened our reporting standards, advanced key sustainability benchmarks, and collaborated across the industry to help move sustainable practices forward more broadly.

The work is complex and requires collective effort. We appreciate your time in reviewing this report and welcome your feedback, ideas, and continued dialogue as we work toward a higher standard for people, processes, and the planet.

Charlie Komar
Chief Executive Officer
Komar

A message from Komar's Chief Sustainability Officer

As we work toward becoming one of the world's most sustainable apparel organizations by 2030, sustainability remains a core business priority at Komar.

We continue advancing toward our SBTi-approved emissions reduction targets. During 2025, we expanded initiatives in renewable electricity, water reduction, waste diversion from landfills, wastewater and chemical compliance, biodiversity, and supplier decarbonization.

We also accelerated progress in sustainable raw material sourcing and circular product development, with commitments to recycled polyester, sustainably sourced cotton, responsible MMCF sourcing, and more sustainable packaging by 2030. Collaboration with organizations including Cascale, Worldly, ZDHC, Textile Exchange, Better Cotton, AAFA, and Canopy continues to strengthen accountability and industry-wide progress.

This report reflects our ongoing commitment to transparency, climate resilience, and responsible growth. We thank our employees, suppliers, customers, and partners for their continued support in driving positive environmental and social impact.

Dr. Thiwanka De Fonseka,
Chief Sustainability Officer
Komar

2 — Sustainability commitments and strategy

We believe that business sustainability relies heavily on environmental sustainability. Environmental sustainability goes beyond general compliance and is embedded in Komar's culture as a core corporate responsibility.

We've set an ambitious goal: To become one of the most sustainable apparel organizations in the world by 2030.

We hold ourselves accountable to this goal through measurable action: establishing clear benchmarks and tracking our progress annually against globally recognized frameworks including Cascale (Higg), CDP (Carbon Disclosure Project), SBTi (Science Based Targets Initiative, ZDHC (Zero Discharge of Hazardous Chemicals), Textile Exchange, BCI (Better Cotton Initiative), and Canopy.

We prioritize transparency and inclusivity: the following pages reflect our work in 2025, highlighting key achievements, challenges, and the steps we continue to take toward our long-term sustainability goals.

We believe our work is stronger through collaboration and are committed to open dialogue with stakeholders. From customers seeking greater traceability, to employees driving operational improvements, to community partners advancing environmental initiatives. Meaningful progress depends on collective effort, accountability, and continuous learning.

Our sustainability strategy provides a measurable, science-aligned pathway toward becoming a leader in sustainable apparel by 2030.

It is shaped by four core pillars that guide how we set priorities, measure progress, and adapt to an evolving global landscape:

1

Global legislation:

We monitor existing and emerging legislation across the US, Canada, and the EU — our primary markets — to ensure compliance while aiming to exceed baseline regulatory standards through proactive, voluntary best practices.

2

Retailer requirements:

We align with the sustainability expectations of key retail partners, while maintaining a proactive approach designed to stay ahead of evolving requirements.

3

Industry best practices:

We benchmark against leading apparel brands in the US and EU to guide our sustainability strategy. While operating with the realities of a mid-sized organization, we aim to lead among our peers through focused, high-impact initiatives aligned with our sustainability vision.

4

Consumer perception of sustainable products:

We review peer-reviewed research and consumer trend studies to better understand perceptions of sustainable products and evolving purchasing behaviors, helping inform our long-term strategy.

3 — 2025 Progress Reporting

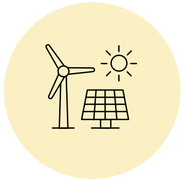
Key achievements and detailed progress against benchmarks

To reach our goal of becoming one of the most sustainable apparel organizations in the world by 2030, we have established clear, measurable benchmarks and report progress against each on an annual basis. Our benchmarks represent two areas — Planet and Product — that together define our environmental footprint as well as our material contribution to a sustainable apparel industry.

Our ‘Planet’ benchmarks measure progress across our full supply chain, including emissions, energy, and operational impacts.

Our ‘Product’ benchmarks reflect internally reported progress related to the materials, design, and development of our products.

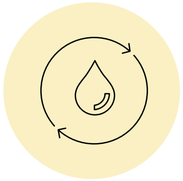
Planet



Energy

Greenhouse Gas Emissions

Water



Waste Water

Solid Water

Chemicals

Biodiversity

Product

Packaging

Raw Materials

As we continue enhancing our sustainability reporting practices, we are increasingly aligning our approach with relevant criteria from the Global Reporting Initiative Standards. While our reporting is not fully GRI-aligned, we use select frameworks and best practices to help improve transparency, consistency, and the overall quality of our disclosures.

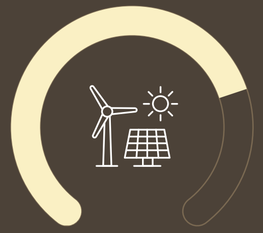
Renewable electricity now powers a growing share of our facilities, potable water use is declining, and waste diversion rates from landfills continue to rise. We have exceeded wastewater and chemical compliance targets planned for 2025, expanded biodiversity restoration efforts across our global footprint, and increased the use of sustainable materials in our products, replacing conventional alternatives.

The following pages (12-30) include full detail on our progress in each of these key areas of sustainable progress while pages 38-50 provide a full overview of our the reporting framework, tools and methodology Komar uses to track our progress.

2025 key achievements

Planet

Energy



74%

Goal: 80% renewable electricity (out of total electricity) at owned global sites by 2030

Greenhouse Gas Emissions

57%

Goal: 46.2% reduction in absolute scope 1 and 2 emissions by 2030

*We are currently in the process of re-validating our SBTi near-term target for the 2024 base year due to changes in the emissions calculation methodologies for all scopes (1, 2, and 3).

Water

1%

Goal: 5% reduction of absolute potable water use at owned global sites by 2030

Wastewater

92%

Goal: 100% reuse and recycling of wastewater at owned global sites by 2030

Solid Waste

98%

Goal: Zero landfill waste at owned global sites by 2030

Chemicals

87.5%

Goal: 100% ZDHC level 1 or above certified chemicals for all products by 2030

Biodiversity

4%

Goal: Habitat restoration equal to 100% of the area of our owned global sites by 2040 (1:1 habitat restoration)

2025 key achievements

Product

Packaging

Reporting in progress

Goal: 100% recyclable, reusable or industrially compostable packaging materials by 2030

Raw materials

35%

Goal: 100% sustainably sourced cotton* for all cotton-based products by 2030

*full benchmark details in below sustainability progress report

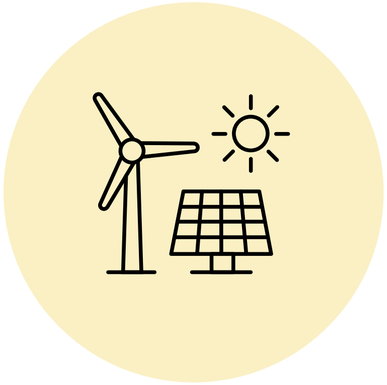
Scope and boundaries

This report covers the reporting period from January 1, 2025, to December 31, 2025. The scope encompasses all wholly owned Komar facilities and offices across North America and Asia, as well as extended operations through our strategic manufacturing partnerships, including Star and global sourcing offices.

Together, these companies represent the full lifecycle of our products: design, development, manufacturing, and distribution.

As Komar continues to strengthen its sustainability management systems, our 2025 disclosures now include more supplier-level data and deeper integration of lifecycle impact assessments.

Sustainability benchmark:
Energy



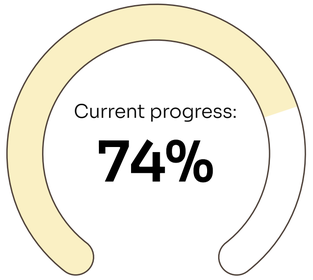
Every garment that leaves our factories represents not only craftsmanship and quality, but also the energy choices that made its creation possible. From design studios to distribution centers, energy touches every part of our business. How we source, use, and manage it defines our progress toward a low-carbon future.

In 2025, renewable electricity accounted for a significantly larger share of the electricity used across Komar-owned facilities. We also collaborated with selected Tier 1 and Tier 2 suppliers to support the implementation of on-site and purchased renewable electricity projects at their facilities.* To further increase our renewable electricity usage, we purchased unbundled I-RECs (International Renewable Energy Certificates) that comply with RE100 criteria through our partnership with the Carbon Consulting Company.

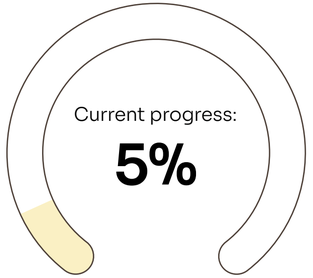
Taken together, these actions have helped us exceed our internal renewable electricity targets for 2025, reduce our greenhouse gas footprint, and strengthen our commitment to the Science Based Targets initiative. (SBTi).

*For additional details and data please refer to page 39 in the addendum

Internal goals:
80% renewable electricity (out of total electricity) to power owned global sites by 2030.



Supply chain goals:
40% renewable energy (out of total electricity) to power global supply chain by 2030.

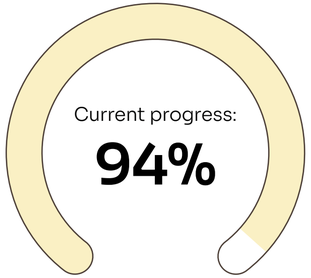


as of 2024

Eliminate onsite coal utilization for T1 suppliers by 2025.

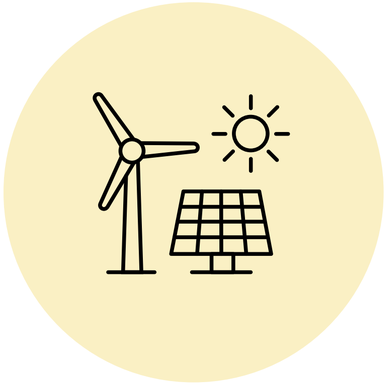
T1 suppliers

Eliminate onsite coal utilization for T2 suppliers by 2028.



T2 suppliers

Sustainability benchmark:
Energy



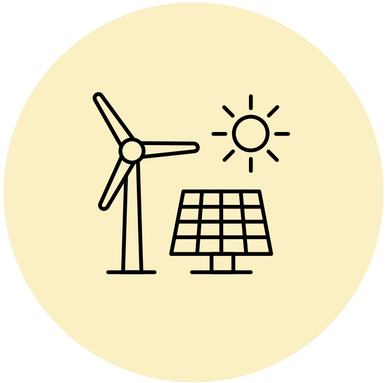
By the end of 2025, 74% of electricity used at Komar-owned facilities was generated from renewable sources, primarily via onsite solar panels and I-RECs (International Renewable Energy Certificates).

This journey began at Star, our Sri Lanka-based manufacturing arm, where rooftop solar systems first came online more than a decade ago. By the end of 2025, Star achieved 100% renewable electricity use through a combination of on-site solar generation and purchased I-RECs.

Star had an onsite solar capacity of 4.8 MW by the end of 2025. The success of Star's model has inspired similar projects across our U.S. warehousing facilities, where we have already begun installing on-site rooftop solar systems at our California and Savannah warehouses. These projects are expected to be completed by the end of 2026.

Across our extended supply chain, renewable electricity adoption reached 5%, primarily from on-site solar, I-RECs/GECs (Green Electricity Certificates in China), and power purchase agreements (direct/virtual) by the end of 2024 (Higg FEM 2024 module and manually collected supplier data for those suppliers who haven't recorded their energy data on Higg FEM).

We will collect renewable electricity-related 2025 supply chain data by the end of 2026 via the Higg FEM 2025 module. We believe our ongoing training on renewable electricity options available across different countries, and the business impacts due to adopting renewables, have supported our suppliers in achieving this milestone.



Electricity usage across full supply chain:

Country	2025 Total Electricity/kwh	2025 Renewable Electricity/kwh
Sri Lanka (including Star facilities & warehouses)	14,603,746.50	14,603,746.50 (3,394,754.5 onsite solar and the rest IRECs)
USA	5,106,399.00	0
Bangladesh	9,619.87	0
China	3,917.85	0
Hong Kong	76,081.00	0
	19,799,975.22	**14,603,746.50**

Solar capacity of individual Star facilities:	Capacity (kw)
Star Garments (Pvt) Ltd - Koggala 2	250.00
Star Garments (Pvt) Ltd - Koggala	500.00
Star Garments (Pvt) Ltd	985.50
Star Fashion Clothing (Pvt) Ltd - Galle	350.00
Star Garments Group (Pvt) Ltd - Innovation Center	30.00
Star Garments (Pvt) Ltd - Buttala	100.00
Star Garments Group (Pvt) Ltd	568.62
Star Garments Group (Pvt) Ltd - Washing	1,400.00
Star Fashion Clothing (Pvt) Ltd	600.00

Sustainability benchmark:
Greenhouse gas emissions

When Komar began its transition to renewable electricity several years ago, the ambition was simple yet bold: to decouple growth from emissions.

Throughout 2025 we have continued to extend carbon accounting deeper into our value chain. By engaging our suppliers and logistics partners, we now have clearer visibility of Scope 3 emissions, a critical step toward full lifecycle accountability.

We are currently in the process of re-validating* our updated Science Based Targets initiative near-term target for a 2024 base year, reflecting changes in emissions calculation methodologies across Scope 1, 2, and 3, as well as validating our 2050 net-zero target. In the meantime, we continue to report progress against our existing SBTi-approved near-term target for 2030, based on a 2019 baseline.

*
Our new SBTi near-term, long-term, and net-zero targets have been validated and approved by SBTi on the 27th of May 2026. However, we will not consider those for this report as all data included here are relevant to 2025.

Our 2025 Scope 1, 2, and partial Scope 3 emissions data have been independently verified by the Sri Lanka Climate Fund, an accredited emissions verifier.** Scope 1 and 2 emissions were fully verified, while over 70% of Scope 3 emissions were included in the verification scope.

While we achieved a meaningful reduction in Scope 1 and 2 emissions, Scope 3 emissions increased relative to the 2019 baseline. This change is driven by both updates in calculation methodologies and actual increases associated with shifts in our business model. We have identified the primary drivers of these increases and are implementing targeted actions to reduce Scope 3 emissions in line with our near-term and long-term SBTi commitments.

**
Scope 1 emissions are direct emissions from owned sites;

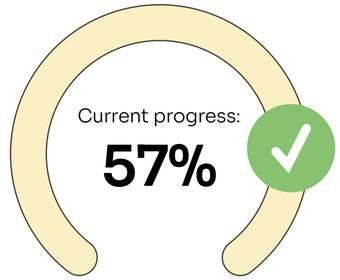
Scope 2 reflects indirect emissions from purchased energy

Scope 3 emissions encompass all indirect emissions throughout company operations)

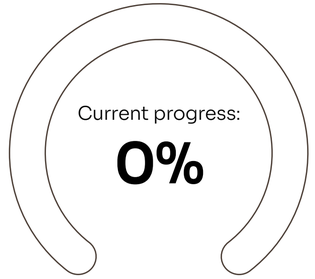
***
For additional details and data please refer to page 46 in the addendum

Net zero goal (under SBTi validation) – all global operations net zero by 2050

SBTi approved near-term goal (current goal):
46.2% reduction in absolute scope 1 and 2 emissions by 2030, compared to 2019 baseline



57% reduction in absolute scope 3 emissions by 2030, compared to 2019 baseline

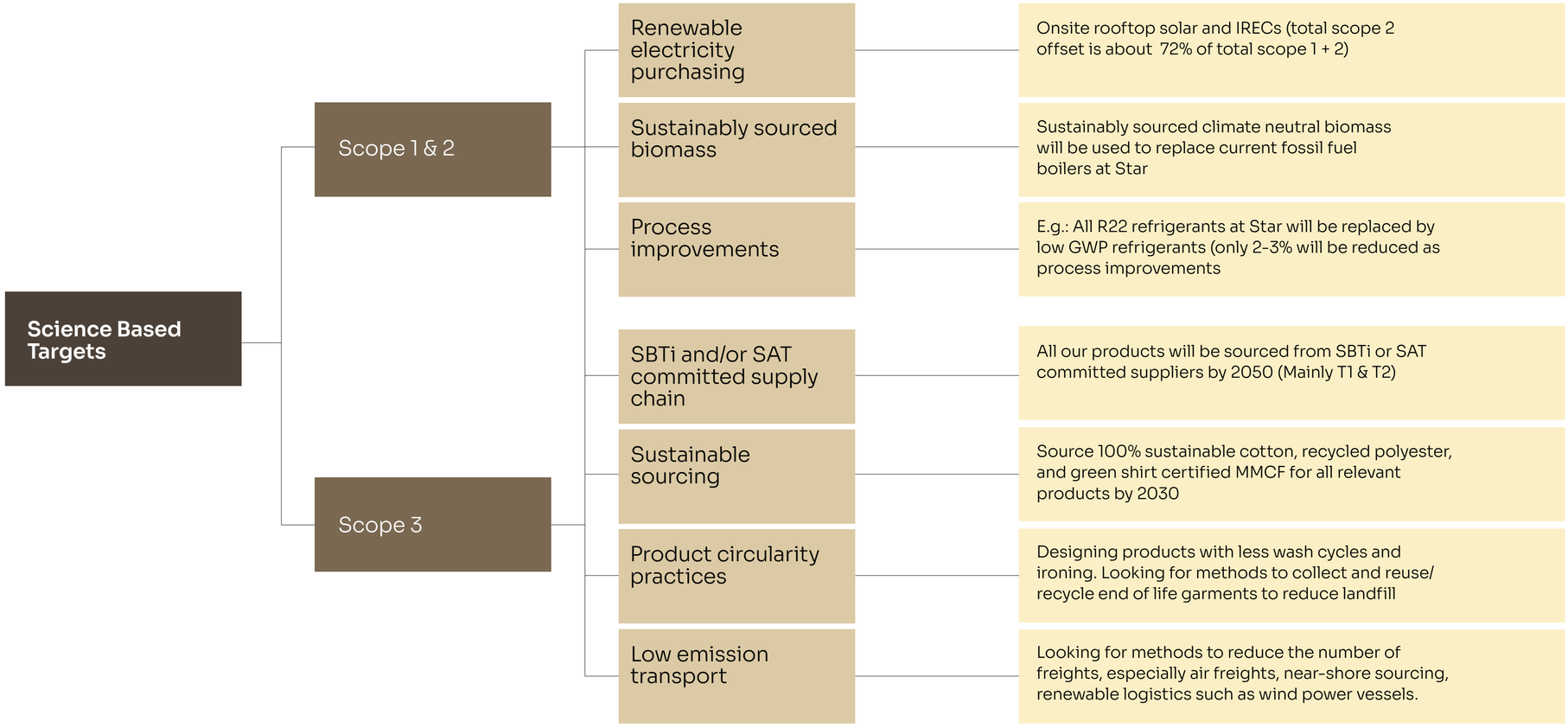


No reduction in 2025 compared to the 2019 baseline.

Evaluation tools:
Internal records, such as invoices, LCA data, CEMAsys system, Worldly PIC

Progress toward net zero 2050.

Komar has a clear action plan to achieve net-zero by 2050. This aligns with the Science Based Targets initiative (SBTi) and the global 1.5 °C pathway.



To translate our net-zero target into concrete milestones, investment decisions, and accountability mechanisms we have developed a four-step action plan.

This plan draws on industry best practices while being tailored to our global footprint, multi-brand portfolio, and privately held governance model.

We plan to launch our full “Climate Transition Plan” in 2026, providing further detailed insights into our net-zero strategy and associated high-level action plan.

1

Enable system change and market access

2

Decarbonize operations and supply chain

3

Measure, govern, and disclose

4

Assess and mitigate climate risk (TCFD-aligned)

*For full details on each of the steps in this action plan, please refer to slides 46-47 in the addendum

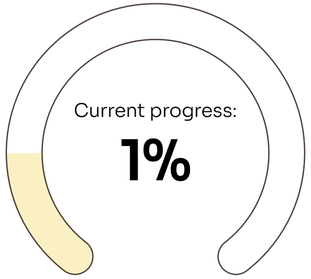
Sustainability benchmark:
Water

Across our internal teams and the supply chain partners, all stakeholders have embraced the understanding that water is not infinite and that conservation is everyone's responsibility.

Our goals are clear: reduce potable water withdrawal, improve water-use efficiency, and invest in technologies that enable wastewater reuse and recycling.

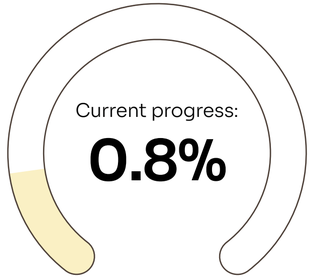
Potable water is water that has been treated, filtered, and purified to a level considered safe for human consumption, including drinking and cooking. Within Komar's supply chain operations, potable water use primarily relates to domestic consumption by facility employees and wet processing activities such as dyeing, washing, and finishing. Internal potable water consumption is therefore fully included within domestic water use reporting.

Internal goal
5% absolute reduction of potable water consumption at owned global sites by 2030, compared to 2023 baseline.



(at end of 2025)

Supply chain goal:
5% encouraged absolute reduction of potable water consumption throughout the supply chain by 2030, compared to 2023 baseline

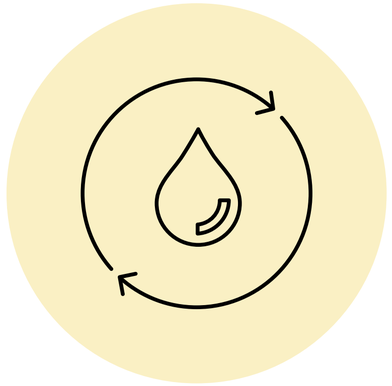


absolute reduction
(at end of 2024 based on the Higg FEM 2024 module data)

*For additional details and data on water usage please refer to page 48 in the addendum

Evaluation tools:
Internal water consumption records, such as invoices and meters, Higg FEM and manual data collection

Sustainability benchmark:
Wastewater



All wastewater discharges from Komar-owned sites are tested regularly to comply with local legal regulations, as they are domestic wastewater and do not fall within the scope of the ZDHC Wastewater Guidelines.

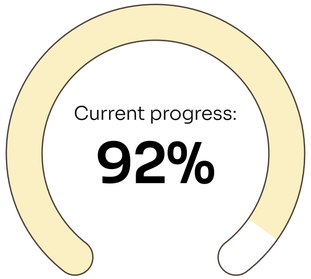
Wastewater discharged from our Star facilities is recycled and reused for purposes such as toilet flushing, gardening, and domestic agricultural purposes.

We partner with our wet-processing supply chain facilities to enhance process efficiency and ensure responsible wastewater discharge via multiple training programmes, as we believe capacity building in the supply chain is paramount to successfully deliver our 2030 strategic goals. In 2025, all our supply chain facilities participated in Komar's Best Practices deep-dive training in energy and water reduction, conducted in partnership with the textile sustainability consultant Bluwin.

Our approach aligns with SDG 6 – Clean Water and Sanitation, linking our operational performance with global sustainability goals. Lessons learned across facilities are continuously shared and applied, creating an ongoing cycle of improvement and innovation.

Country	2025 Total Wastewater/m3	2025 Total Recycled/reused Wasterwater/m3
Sri Lanka (including Star facilities & warehouses)	210,545.90	193,596.10

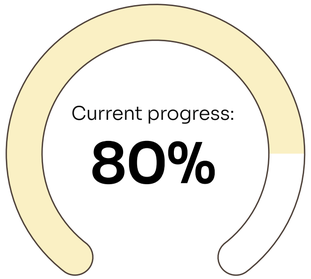
Internal goal:
100% reuse and recycling of wastewater at our owned global sites by 2030



(at end of 2025)

* Please note that we have considered only our Sri Lankan Star facilities in evaluating this internal target, as our US and other sourcing offices are in rented buildings and therefore do not have credible methodologies to track their wastewater discharged to municipal treatment plants.

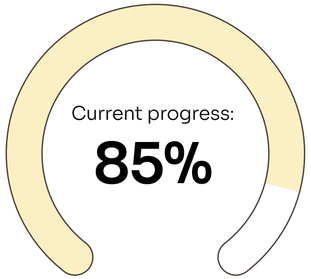
Supply chain goals:
100% of wet processing suppliers conducting at least annual ZDHC wastewater testing by 2030



(at end of 2025)

Evaluation tools:
Internal wastewater discharge and reuse/ recycle data, ZDHC Gateway, BHive

100% of wet processing suppliers to meet at least foundational limits of ZDHC wastewater guideline parameters by 2030



(at end of 2025, out of the T2 mills that conducted ZDHC wastewater testing in 2025)

Sustainability benchmark:

Waste

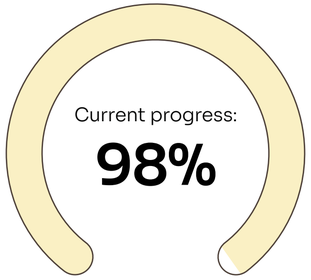
In 2025 Komar achieved 98% solid waste diversion, preventing 1,351.3 tons of waste from entering landfills. This progress builds upon steady improvement since 2023 when diversion rates stood at 85%.

Our zero-landfill goal is built on four principles:

- Reducing waste at the source by improving efficiency and design
- Reusing materials and components wherever possible
- Recycling the rest through responsible partnerships and innovation
- Energy recovery of mixed waste that cannot be reused or recycled

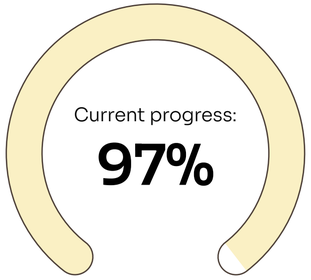
There remain several suppliers, specifically in Cambodia and Vietnam, who landfill raw material waste (mainly trims and fabric), and we are working with them to find better waste disposal solutions to achieve our 2030 zero- landfill-for-raw-materials target. We have diverted more than 10,000 tonnes of raw material waste from landfills in the supply chain

Internal goal
Zero landfill waste at owned global sites by 2030



(at end of 2025)

Supply chain goal:
Zero landfill of raw material waste throughout global supply chain by 2030



(at end of 2024 based on Higg FEM 2024 module data)

Evaluation tools:
Internal waste disposal data, Higg FEM and manual data collection

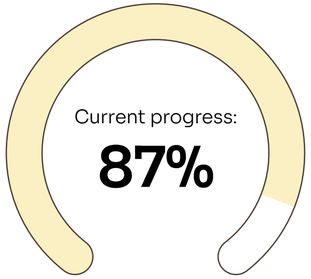
Sustainability benchmark:
Chemicals and product safety

Komar remains committed to removing hazardous chemicals from its global supply chain and promoting responsible chemical management across all products and suppliers.

In alignment with the ZDHC Roadmap to Zero programme, our long-term goal is to achieve 100% use of ZDHC Level 1 or higher- certified chemicals across all products by 2030. This initiative is a key part of our overall product sustainability strategy and reinforces our dedication to protecting workers, consumers, and the environment.

In 2025, Komar continued to make strong progress toward this goal. Based on combined data from the ZDHC Gateway and BHive platforms, 87.5% of all chemical formulations used across our supply chain (5,165 out of 5,903 formulations used at facilities producing both Komar and non-Komar products) are now verified as ZDHC Level 1 or above. This represents a significant improvement over previous years and reflects our ongoing collaboration with suppliers to transition toward safer input chemistries.

Supply chain goal:
100% ZDHC Level 1 or above certified chemicals for all products by 2030



(at end of 2025)

100% compliance with Oeko-Tex Standard 100

Already achieved for existing suppliers. This is an annual certification, mandatory for all new and existing T2 suppliers.

Evaluation tools:
ZDHC Gateway, BHive

To support the implementation of ZDHC Programme Guidelines across our supply chain, we developed ZDHC Guidelines Implementation Guidebooks (2024) in collaboration with ZDHC, followed by Version 2.0 in 2025.

The key commitments are outlined below:

1

Implementation of the latest version of the ZDHC Manufacturing Restricted Substances List across applicable suppliers and their contractors/ subcontractors throughout the supply chain (Tier 1 to Tier 4).

2

Implementation of the latest version of the ZDHC Chemical Management System Framework and ZDHC CMS Technical Industry Guide across applicable suppliers and their contractors/ subcontractors throughout the supply chain (Tier 1 to Tier 4).

3

Implementation of the latest version of the ZDHC Wastewater Guidelines across the supply chain (Tier 1 to Tier 4) for applicable suppliers and their contractors/subcontractors.

4

Implementation of the latest version of the ZDHC Man-Made Cellulosic Fibres Guidelines across applicable suppliers and their contractors/ subcontractors, limited to MMCF manufacturers.

Sustainability benchmark:
Biodiversity

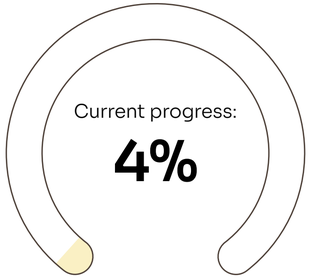
Our goal is to create measurable ecological value in every region where we operate, demonstrating that manufacturing and thriving natural systems can coexist.

At Komar, we believe making great clothing should never come at the expense of people or the planet. As part of that commitment, we continued advancing toward our goal of 1:1 habitat restoration in 2025 by expanding biodiversity and reforestation efforts across several regions.

In partnership with local environmental organizations, we launched native species planting programs near our Sri Lankan subsidiary, Star, and established green corridors to help reconnect fragmented habitats.

We are especially proud of the employee-led conservation initiatives that have emerged across our teams — from mangrove restoration near coastal sites to native tree planting near Star facilities. These efforts reinforce the idea that environmental stewardship begins with individual ownership.

Goal:
100% habitat restoration to match the total area of our owned global sites by 2040*



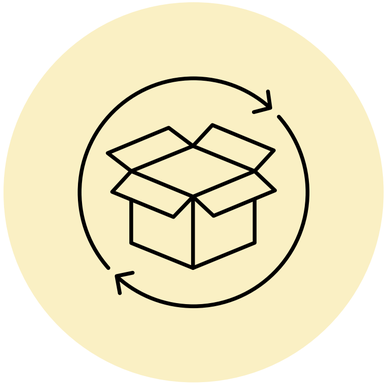
*We have revised the timeline for our 1:1 habitat restoration biodiversity benchmark from 2030 to 2040 to reflect prioritization across multiple sustainability initiatives and the time required for effective, scalable implementation.

Evaluation tools:
Internal biodiversity restoration project records

Sustainability benchmark:
Biodiversity

As part of our commitment to environmental stewardship, Star, a Komar company, completed the natural regeneration and planting of 3 hectares of mangrove forest within the Anawilundawa Ramsar Wetland in 2025.

The site, a UNESCO-recognized ecological area, has experienced significant degradation due to decades of unsustainable prawn farming. This wetland is rich in biodiversity and plays a critical role in flood control, carbon sequestration, and supporting local livelihoods. Restoration activities have now moved into the ongoing maintenance and monitoring phase to support long-term ecosystem recovery and resilience.



Komar's Packaging Sustainability Programme is focused on reducing virgin plastic, light-weighting designs, and selecting materials that close the loop.

Recyclable, reusable or industrially compostable packaging
By focusing on packaging solutions that can be recovered and reprocessed, Komar is lowering the environmental impact of packaging materials while supporting wider industry efforts to tackle plastic waste and improve resource efficiency.

Recycled plastic packaging
To promote a more circular packaging system and reduce dependence on fossil fuel–based materials, Komar has pledged to source 50% of all plastic packaging materials from recycled plastic by 2030.

Internal goals:

100% recyclable, reusable or industrially compostable packaging materials by 2030

Current progress:
Reporting in progress

50% of all plastic packaging materials made out of recycled plastic by 2030

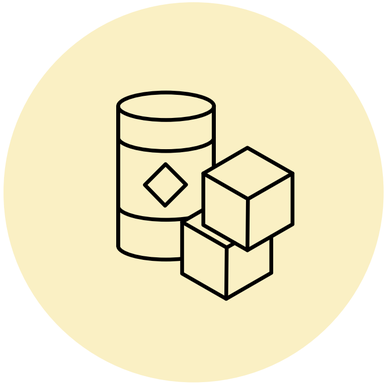
Current progress:
Reporting in progress

Progress toward these goals was not formally reported in 2025 due to limitations in packaging data quality and verification across the supply chain. Variability in materials, supplier reporting, and data transparency currently limits accurate measurement of recyclable, reusable, and compostable packaging.

Komar is strengthening internal data systems and supplier engagement to improve packaging data accuracy, transparency, and future progress tracking against its 2030 target.

Evaluation tools:
Internal product data

Sustainability benchmark:
Raw materials



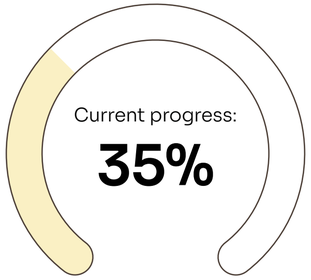
Sustainable cotton
Recognizing the environmental and social issues associated with traditional cotton farming, from high-water consumption, to reliance on pesticides, Komar has pledged to source 100% sustainably grown cotton for all cotton-based products by 2030.

Recycled polyester
Traditional polyester comes from virgin fossil fuels and contributes to greenhouse gas emissions and resource depletion. To lessen the environmental impact of our products and promote a more circular textile industry, Komar has pledged to source 100% recycled polyester for all polyester-based products by 2030.

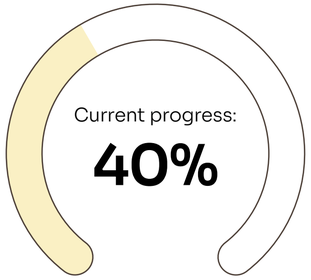
Man-made Cellulosic Fibers (MMCFs)
When sourced irresponsibly, the production of MMCFs can lead to the loss of Ancient and Endangered Forests (A&EF) and other vital ecosystems. To reduce this risk, Komar aims to source 100% of MMCFs from “Green Shirt” (dark green or light green) rated producers as listed in Canopy’s Annual Hot Button Report by 2030.

Internal goals:

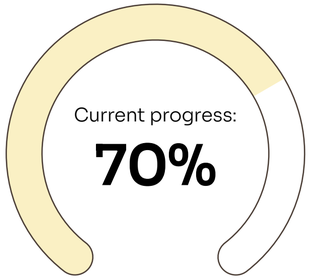
100% sustainably sourced cotton* for all cotton-based products by 2030*



100% recycled polyester for all polyester-based products by 2030



100% MMCF from Green Shirt (dark green or light green) certified fiber producers for all MMCF-based products by 2030



*”Sustainably sourced cotton” refers to cotton sourced through the Better Cotton Initiative (BCI) and organic cotton programs. Currently, Komar sources mass-balance Better Cotton and organic cotton certified under various standards. Komar is also certified to source physical (traceable) Better Cotton. Better Cotton content labels are expected to appear on our products beginning in 2026–2027.

Evaluation tools:
Internal product data

Sustainability benchmark:

Raw materials

Circularity is an increasingly important part of building a more resource-efficient and resilient apparel industry. At Komar, we are embedding circular principles across product design and material sourcing to reduce waste and extend material value throughout the product life cycle.

Our design teams are being trained in circular methodologies that prioritize durability, recyclability, minimal waste, and material efficiency. In collaboration with recyclers and material innovation partners, we are exploring next-generation fibers made from post-consumer waste and renewable feedstocks to help reduce reliance on virgin materials without compromising performance or comfort.

As environmental and resource pressures evolve globally, advancing circularity is not only an environmental priority, but a business imperative, strengthening long-term resource security, supply chain resilience, and stability against raw material price volatility.

4 — Achievements and awards

Specific 2025 achievements and awards

Higg BRM (Brand Retailer Module) achievement
Achieved 62.1% in the environmental section of Higg BRM (Brand Retailer Module) in 2025. The global average environmental score of all Cascale member apparel brands was 42.3%. Komar ranked in the top 15% of the highest-scoring category in the environmental section.

CDP Supplier Engagement Assessment (SEA)
Received a CDP Supplier Engagement Assessment (SEA) rating of “A”. This is the highest grading that can be obtained in SEA, which evaluates how effectively companies engage their supply chain on climate issues.

Supplier self-assessment
Reached 100% adaptation in Higg FEM 2024 self-assessment in T1 and T2 suppliers (265+ suppliers).

Cascale “Leader” Recognition
Komar achieved Cascale’s “Leader” recognition, the highest level attainable for brand members in the 2024/2025 membership cycle, in recognition of its sustained commitment to advancing sustainability performance and practices.

Leadership
Komar’s Chief Sustainability Officer, Dr. Thiwanka De Fonseka, supported key industry initiatives with Cascale, ZDHC, and Textile Exchange, and spoke at major sustainability forums and industry events. He was named “Responsible Sourcing Champion of the Year 2025” at SustainableNXT 2025, organized by Apparel Resources. In addition, Komar received a ZDHC InConnect award for the second consecutive year for building awareness of ZDHC guidelines and tools across its supply chain through ZDHC InConnect Events.

5 —
What’s next

Moving forward, Komar is focused on strengthening and expanding our sustainability strategy to drive greater transparency, accountability, and long-term impact across our business and supply chain:

Social governance:
Looking ahead, we are working on broadening our sustainability strategic focus to include social and governance dimensions, creating a fully integrated sustainability platform that addresses all dimensions of ESG performance.

Traceability:
We are also working on enhancing our product-level traceability, currently exploring technologies such as the Digital Product Passport (DPP) to provide end consumers with verifiable details about material origins, manufacturing processes, and certifications.

Beginning in 2026 we plan to map out our T3 and T4 suppliers on a purchase order level using a traceability platform concurrently in development. We then plan to roll out the same strategy to suppliers beyond T2 once we have reasonable visibility into our T3 and T4 suppliers.

Our ambition is to achieve full supply-chain visibility by 2030, ensuring that every Komar garment can be traced back to its source with confidence and transparency.

6 —
Industry collaboration/ partnership

Collaboration across the apparel industry is essential to addressing complex sustainability challenges and advancing meaningful progress toward environmental and social responsibility.

Komar actively partners with leading global initiatives and industry organizations to strengthen its sustainability approach, align with recognized best practices, and support collective industry transformation.

We are grateful for the partnerships and shared spirit of collaboration that continue to drive this work forward, and we appreciate your time and attention in reviewing this report. Together, we remain committed to building a more responsible and sustainable future for the industry.

Cascale

worldly

ZDHC

AMERICAN APPAREL & FOOTWEAR ASSOCIATION

CDP

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

bci member

Textile Exchange

7 — About the report

Strategy implementation limits

Approximately 75% of Komar's business operates under a FOB (Free On Board) model, where suppliers manage sourcing and production within their own networks. The remaining 25% operates through customer-nominated suppliers. Because these sourcing models rely on multiple external partners across different tiers of the supply chain, visibility decreases beyond direct manufacturing relationships.

Today, we maintain strong visibility across our T1 and T2 suppliers, including garment manufacturers and fabric mills, but have more limited insight into T3 and T4 suppliers such as yarn spinners, trim suppliers, fiber producers, and farms. As a result, the strategy and results outlined in this report currently apply primarily to T1 and T2 suppliers.

Beginning in mid-2026 we plan to expand traceability beyond T2 through a purchase order-level mapping platform currently in development, enabling broader implementation across our supply chain. This system will integrate key information on energy, water, chemicals, and labor compliance, allowing us to identify risks early and take corrective action swiftly.

Current Supply Chain Visibility

T1 Garment Manufacturing	T2 Garment Manufacturing	T3 Yarn, Trims, Packaging	T4 Raw Material/Fiber
✓ Full visibility ✓ Fully implemented	✓ Known suppliers ✓ Fully implemented	! Limited visibility	⚠ Minimal visibility

The Road Ahead

2025

Strategy applied to T1 & T2

2026

Traceability Platform
PO-level mapping

2030

- Full supply chain rollout
- End-to-end visibility

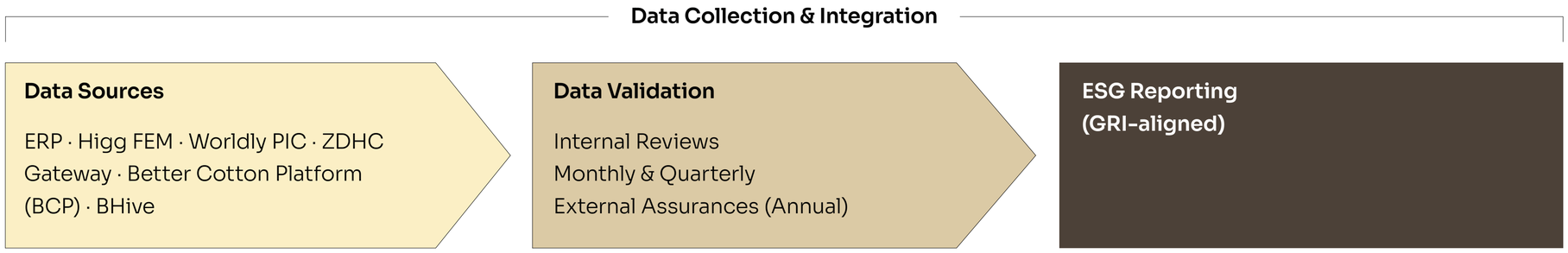
Data integrity and verification

The data presented in this report were collected through Komar's centralized sustainability platform integrated with external tools, such as our ERP, Higg FEM, Worldly PIC, ZDHC Gateway, Better Cotton Platform (BCP), and BHive, which consolidate operational and supply-chain data from global facilities.

Internal performance metrics are reported monthly and quarterly (as required) and validated by internal sustainability specialists, while external metrics are validated annually.
Certain key data points, such as internal emissions and chemical management data, undergo limited assurance to ensure consistency with international standards and comparability across years.

Quantitative data are compiled using standardized methodologies, including the Greenhouse Gas Protocol for emissions accounting and recognized industry conversion factors for energy and waste.
All data undergo multi-tier validation: initial checks at the site level, cross-verification by our corporate sustainability team, and final quality assurance of some key data points, such as emissions, chemicals, and wastewater data via limited assurance.

Figures for each year are updated and verified following the close of the fiscal year, with final values published in May of the following year.
This continuous improvement model ensures that our reporting remains credible, transparent, and adaptable to evolving disclosure standards, including the forthcoming GRI Textiles and Apparel Sector Standard, which is expected to be released in 2026.



This report has been prepared by incorporating selected criteria from the Global Reporting Initiative (GRI) 2021 Standards, the world's leading sustainability disclosure framework, as a best practice, while also aligning with the UN Sustainable Development Goals (SDGs) most relevant to our operations, namely:

- **SDG 6 (Clean Water and Sanitation),**
- **SDG 7 (Affordable and Clean Energy)**
- **SDG 12 (Responsible Consumption and Production)**
- **SDG 13 (Climate Action)**
- **SDG 15 (Life on Land)**

We maintain alignment with additional key global standards and frameworks relevant to the textile and apparel industry to ensure clear disclosures and reporting the progress of each pillar in our sustainability strategy, such as Cascale, ZDHC, CDP, Textile Exchange, BCI, etc.

GRI 2021 Standards

Global Reporting Initiative
A globally standardized framework for reporting environmental, social, and governance impacts and performance.

UN SGDs (6, 7, 12, 13, 15)

UN Sustainable Development Goals. A set of 17 global goals that guide organizations in contributing to sustainable development.

By aligning our approach to sustainability with global sustainability standards, Komar ensures our actions contribute to systemic change across the apparel industry.

Alignment with global reporting standards

Global Initiative	Komar Alignment and Contribution
Cascale (Higg Index)	Active participation of the supply chain in FEM and FSLM modules; using facility level scores to benchmark and improve environmental and social performance. Higg FEM is mandatory for all our T1 and T2 suppliers. Active participation in multiple strategic and advisory councils of Cascale
CDP (Carbon Disclosure Project)	Annual submission of energy and emissions data to ensure transparency and climate accountability.
SBTI (Science Based Targets initiative)	Reduction targets validated under 1.5 °C pathway; aligning operational decarbonization with global climate science.
ZDHC (Roadmap to Zero)	Implementation of MRSL guidelines and wastewater testing in the supply chain to eliminate hazardous chemicals from the supply chain.
BCI	Using BCI certified suppliers (mass balance and physical better cotton models) to source sustainable cotton to replace conventional cotton, as a member of BCI
UN Global Compact & SDGS	Contribution to SDGs 6, 7, 12, 13, and 15 through sustainable production, renewable energy, and biodiversity programmes.

By aligning material topics with global sustainability standards, Komar ensures that its actions contribute to systemic change across the apparel industry while maintaining the integrity of its family-owned legacy.

Framework integration focus

Framework	Komar Integration Focus
GRI 2021 Standards	Comprehensive disclosure aligned with environmental topics 302-306.
UN SDGs	Focus on SDG 6, 7, 12, 13 & 15 for Planet and Product pillars.
SBTi	Validated GHG reduction targets consistent with 1.5 °C pathway.
Cascale Higg Index	Use of FEM & FSLM modules for facility benchmarking.
CDP	Annual climate disclosure and progress reporting.
ZDHC Roadmap to Zero	Chemical and wastewater compliance across manufacturing base.
BCI	Transfer from conventional cotton to sustainably sourced cotton

Komar’s sustainability performance and reporting is overseen by our Sustainability Steering Committee, a multidisciplinary team of leaders from operations, compliance, finance, and supply chain. The main responsibility lies with our corporate sustainability team, headed by our chief sustainability officer.

Progress is reported biannually to the executive board and communicated publicly annually in the annual sustainability report.

Each area of sustainable progress has defined ownership and measurable performance indicators. Operational teams are trained to integrate these objectives into daily decision-making, ensuring that sustainability is fully embedded within our business culture.

Strategic relevance and business integration
The insights from this report inform Komar’s strategic planning, enabling data-driven decisions on capital investment, product design, and sourcing. The integration of sustainability into our core business model also empowers teams across functions, from production to logistics, to act with accountability and creativity in solving shared challenges.

Komar's annual materiality assessment follows a structured four-phase process integrating research, stakeholder engagement, alignment, and validation to identify and prioritize the sustainability topics most relevant to our business, stakeholders, and long-term strategy. The process ensures alignment with global sustainability standards while reflecting the evolving expectations of key stakeholder groups.

2025 assessment reaffirmed our nine key benchmark areas as top priorities moving forward.

Phase 1: Issue identification

Scanning of global sustainability frameworks (GRI, SBTi, CDP, ZDHC, Cascale Higg Tools, BCI, Oeko-Tex) and peer benchmarking to identify comprehensive list of relevant ESG issues.

Phase 2: Stakeholder mapping and engagement

Consultation with internal and external stakeholders through surveys, workshops, and interviews to identify priorities.

Phase 3: Prioritization and GRI alignment

Scoring topics by importance to stakeholders and impact on Komar's business using GRI guidance.

Phase 4: Validation and review

Approval by sustainability steering committee and leadership integration into planning.

Data reference
Greenhouse gas emissions

Based on the high-level action plan to address climate commitments on page 20, full details on our four-step strategic framework is as follows:

Assess and mitigate climate risk (TCFD-aligned)

- Understand physical and transition risks across owned sites and the supply chain.
- Assess the impacts of physical and transition risks to 3Ps (People, Planet, and Profit)
- Integrate supply chain physical and transition risks into the sourcing strategy.
- Mitigate and adapt to physical and transition risks across owned sites and the supply chain.

Measure, govern, and disclose

- Measure supply chain climate-related “planet” data, such as GHG emissions, renewable energy adoption, onsite coal elimination, etc via Higg FEM.
- Measure supply chain climate-related “product” data, such as fiber compositions, fiber weights, packaging and trims compositions and weights, etc. via the Komar BOM system.
- Measure internal data via the internal data management system.
- CSO leads the governance of Komar’s SBTI targets and the relevant investments are approved by the CEO, CPO, and the board, based on the suggestions of the CSO.
- The sustainability team, led by the CSO, along with the support of the CPO and the sourcing team, drives the supply chain decarbonization programmes.
- Annual climate-related disclosures are done via CDP, Higg BRM, and the company’s annual sustainability report.

Decarbonize operations and supply chain

- Support creating and implementing supplier decarbonization “realistic roadmaps.
- Support creating and implementing supplier climate adaptation roadmaps, as we consider climate adaptation is a key area, especially in the global south, where the majority of our manufacturers are based.
- Internal renewable electricity adaptation, aligned with our 80% renewable electricity target by 2030 (onsite renewables such as solar, and offsite renewables such as PPAs).
- Purchase RECs (Renewable Energy Credits)/EACs (Energy Attribute Certificates), as part of the internal decarbonization strategy for Scope 2.
- Encourage and support the supply chain to adapt renewable energy (onsite and purchased) and purchase RECS/EACs, as part of the Scope 3 reduction strategy.
- Source low-carbon materials and fibers, and ensure circularity and low-carbon options from design to delivery.

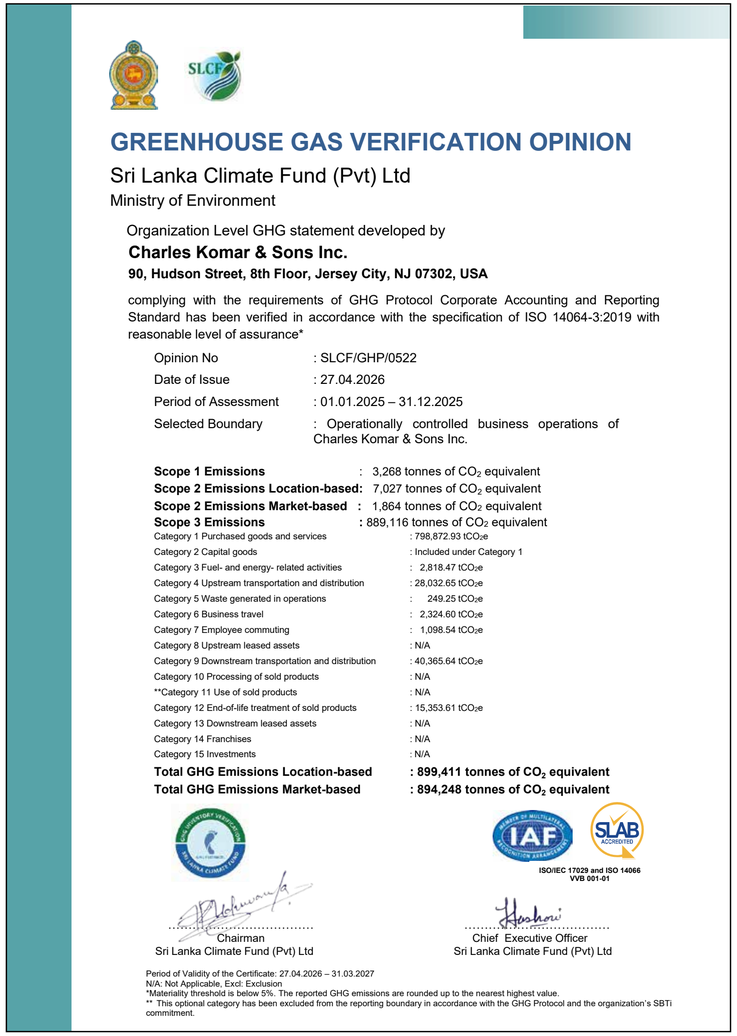
Enable system change and market access

- Use our voice, partnerships, and compliance leadership to accelerate decarbonization beyond Our walls.
- Monitor carbon-related trade/tax rules; build a single compliance backbone that anticipates convergence (e.g., EU DPP, US state-level-climate-related legislation such as California SB 253 and SB 261).
- Support scaling decarbonization programmes, including climate adaptation programmes through Cascale, ZDHC, BCI, Textile Exchange, etc, while keeping CDP leadership trajectory.
- Reward suppliers with better climate practices, based on the performance monitored through Komar supply chain sustainability scorecard by various financial and non-financial methods, including but not limited to long-term sourcing commitments, better order volumes, etc.
- Preference for low-carbon suppliers/materials, climate-aligned costing, and customer-ready product footprints.

Data reference

Greenhouse gas emissions

GHG Scope	2019	2025
Scope 1	3,287.78	3,267.80
Scope 2 (Location-Based)	8,766.29	7,027.10
Scope 2 (Market-based)	8,738.72	1,863.60
Scope 3 - Without Category 11	429,828.02	889,115.69



GREENHOUSE GAS VERIFICATION OPINION

Sri Lanka Climate Fund (Pvt) Ltd

Ministry of Environment

Organization Level GHG statement developed by

Charles Komar & Sons Inc.

90, Hudson Street, 8th Floor, Jersey City, NJ 07302, USA

complying with the requirements of GHG Protocol Corporate Accounting and Reporting Standard has been verified in accordance with the specification of ISO 14064-3:2019 with reasonable level of assurance*

Opinion No : SLCF/GHP/0522

Date of Issue : 27.04.2026

Period of Assessment : 01.01.2025 – 31.12.2025

Selected Boundary : Operationally controlled business operations of Charles Komar & Sons Inc.

Scope 1 Emissions : 3,268 tonnes of CO_2 equivalent

Scope 2 Emissions Location-based: 7,027 tonnes of CO_2 equivalent

Scope 2 Emissions Market-based : 1,864 tonnes of CO_2 equivalent

Scope 3 Emissions : 889,116 tonnes of CO_2 equivalent

Category 1 Purchased goods and services	: 798,872.93 tCO_2e
Category 2 Capital goods	: Included under Category 1
Category 3 Fuel- and energy- related activities	: 2,818.47 tCO_2e
Category 4 Upstream transportation and distribution	: 28,032.65 tCO_2e
Category 5 Waste generated in operations	: 249.25 tCO_2e
Category 6 Business travel	: 2,324.60 tCO_2e
Category 7 Employee commuting	: 1,098.54 tCO_2e
Category 8 Upstream leased assets	: N/A
Category 9 Downstream transportation and distribution	: 40,365.64 tCO_2e
Category 10 Processing of sold products	: N/A
**Category 11 Use of sold products	: N/A
Category 12 End-of-life treatment of sold products	: 15,353.61 tCO_2e
Category 13 Downstream leased assets	: N/A
Category 14 Franchises	: N/A
Category 15 Investments	: N/A

Total GHG Emissions Location-based **: 899,411 tonnes of CO_2 equivalent**

Total GHG Emissions Market-based **: 894,248 tonnes of CO_2 equivalent**

ISO/IEC 17029 and ISO 14066
VVB 001-01

Chairman
Sri Lanka Climate Fund (Pvt) Ltd

Chief Executive Officer
Sri Lanka Climate Fund (Pvt) Ltd

Period of Validity of the Certificate: 27.04.2026 – 31.03.2027
N/A: Not Applicable, Excl: Exclusion
*Materiality threshold is below 5%. The reported GHG emissions are rounded up to the nearest highest value.
** This optional category has been excluded from the reporting boundary in accordance with the GHG Protocol and the organization's SBTi commitment.

All supply chain water reduction projects are self-funded by the supply chain, whereas Komar provided the guidance and technical knowledge on water reduction best practices, including the following:

- Recovery of steam condensate for boiler feedwater
- Maintenance of optimal liquor ratios.
- Recycling of industrial wastewater using advanced wastewater treatment technologies such as Reverse Osmosis or Ultra/Nano filtration for production reuse
- Implementation of innovative dyeing techniques, such as air dyeing, foam dyeing, and cold-pad batch dyeing, substantially reducing water usage compared to traditional methods like exhaust dyeing. (These methods use less water and chemicals while ensuring color fastness)
- Rainwater harvesting
- Use of continuous digital printing with pigments
- Use of spray pipes in washing slashers or rope dyeing to reduce water consumption in denim yarn dyeing
- Use of spray jet nozzles whenever possible
- Improvisation of fabric positioning inside the machine and loading more fabric per chamber in continuous rope washing machines
- Use of drum-type washers with adjustable water jet sprays to improve washing performance and reduce water consumption
- Use of water jet systems combined with advanced drum washing technologies.
- Double-threading instead of single-threading in the washing chamber for continuous open-width processing
- Multi-stage washing with low liquor in rope, drum, and rope+drum washing ranges
- Foam application for woven fabric.
- Use of built-in nozzles and reduced piping to lower water consumption
- Use of cooling water for rinsing
- Reuse of bleaching baths
- Use of E-Flow technologies: e-Flow Technology uses micronization and nebulization to replace traditional abrasion processes and deliver better-performing chemistry (color, softeners, antimicrobials, etc.) by using nanobubbles of air instead of water.

Specific progress against our water benchmarks across our supply chain:

Key Performance Indicators - Water & Wastewater (2025)

Indicator	2025 Target	2025 Achievement	2030 Target
Absolute potable water reduction by 5% at our owned global sites by 2030 (2023 baseline)	1% from the 2023 baseline	1% from the 2023 baseline	1% from the 2023 baseline
Encourage absolute potable water reduction by 5% at our global supply chain by 2030 (2023 baseline)	1% from the 2023 baseline	08% reduction from the 2023 baseline (as of the end of 2024)	5% from the 2023 baseline
100% reuse/recycle of wastewater at our owned global sites by 2030	85%	92%	100%
Mandatory annual testing against ZDHC Wastewater Guidelines (WWG) for all wetprocessing suppliers by 2030	50%	80%	100%
Encourage all wet processing suppliers to meet at least the foundational level of 85% out of the T2 mills 100% that conducted ZDHC WWG parameters by 2030	50%	85% out of the T2 mills that conducted ZDHC wastewater testing in 2025	100%

Data reference

Water

At Star water innovation is part of daily operations. A range of initiatives have been implemented to reduce potable water consumption, including pedal and push taps, aerators, employee awareness programs, dual-flush systems, monthly leak detection, and prompt repair of identified leaks. These efforts have contributed to a 1% reduction in potable water consumption compared to the 2023 baseline. Selected project details are outlined here.

Year	Total potable water consumption/m3
2023 (baseline)	86.9 million
2024	86.2 million

Country	2023 Total Water/m3	2025 Total Water/m3
Sri Lanka (including Star facilities & warehouses)	267,861.00	263,182.50
USA	49,022.20	50,344.70
Bangladesh	3.20	2.10
China	4.90	3.90
Hong Kong	13.50	12.30
Total	**316,904.80**	**313,545.40**

komarbrands.com