



2019

Corporate Social Responsibility Report
KOMAR

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OUR ROADMAP AHEAD

A LETTER FROM OUR CEO

In 1908, Charles Komar started a women's intimate apparel business in downtown New York with one guiding principle **"You have only one reputation"**. More than a century later, as his grandson, I endeavor to abide by the same principle to shape our business and serve our customers.


When I joined the company almost 40 years back, Komar had over 1000 employees in five factories, and today we are a family of more than 8000 employees with manufacturing in over eleven countries. I attribute our success to the commitment of our employees to adapt and invent in the dynamic apparel market, and their willingness to embrace change. We all work hard to ensure that our products are safe, ethically sourced and cater to every price point.

As our business has grown, our corporate social responsibility has also evolved over the years. In the recent years, we developed and implemented our own code of conduct, and established an audit team, who conducts regular inspections and audits to verify safety of our workers and quality of our goods. We have more transparency than ever before in our supply chain and strong relationships with our suppliers.

2019 was a crucial year for us to further our pledge in moving towards a sustainable future. We adopted a 5-year roadmap with a vision to embed sustainability practices in our supply chain and community. In addition, the Sustainable Future Group (SFG) has certified our manufacturing base in Sri Lanka as Carbon Neutral®. I am proud to say that Star Garments is the first company in the apparel industry, with all 14 factories and offices certified internationally.

In the pages that follow, we have further highlighted our ongoing efforts and partnerships, and share our perspective for the future. Our commitment is to be more than just an apparel company. I see the future of Komar as one of growth, innovation, transparency, and collaboration with our peers, customers, consumers, employees, suppliers, and factories. Thank you for being a part of this journey.

Yours sincerely,



Charlie Komar
CEO & President
Komar Brands



ABOUT US

Established in 1908, Komar is a privately held global organization representing more than 100 brands and licenses. With our headquarters in New Jersey and operations on four continents, we are an industry leader in a variety of competitive retail categories.

Our dynamic distribution and manufacturing base allow us to maintain an efficient and transparent supply chain. With state-of-the-art development center and in-house design team, we aim to collaborate with our customers and cater to their needs and develop on-trend quality garments.

By the end of 2019, we had produced more than 150 million garments, employed close to 8000 people worldwide, and catered to over 50 customers across Americas, Europe and UK.

OUR DIVISIONS

KOMAR
SLEEPWEAR

KOMAR
INTIMATES

KOMAR
KIDS

KOMAR
LAYERING

Richard Leeds
International





With over 40 years of history, Star Garments is one of the key players in Sri Lanka apparel industry. Our operations comprised of an Innovation Center and ten manufacturing plants, situated in a strategic location near major regional shipping routes to Europe, Hong Kong and the United States offering shorter lead time and cost-effective shipping.



We are premier full-service provider of fashion apparel across a broad range of product categories including women's and men's woven garments, cut and sew knits and intimate apparel. Apart from comprehensive design services, we also provide product development resources and in-house value-added services such as garment washing and embroidery. Our team is also equipped with 3-D design and development equipment and training supported by Browzwear.





Responsibility

SOCIAL COMPLIANCE

Komar prides for its long-standing history of exceptional moral standards in the inner workings of the company to conduct its business in accordance with high ethical and business standards, and seek its suppliers, factories, and licensees to conduct themselves in the same manner. The following code of conduct is the basis for our inspections and evaluations of our factories to ensure that all products comply with our ethical standards.

- No child labor
- No forced or prison labor
- No abuse or discrimination
- Working hour and compensation limitations
- Health and safety
- Communication of principles
- Freedom of association
- Compliance with applicable laws
- Measuring environmental impact
- Monitoring
- Responsible Recruitment

SUPPLY CHAIN TRANSPARENCY

Since our inception, maintaining strong relationships with our suppliers is a part of our core values. Not only do we partner with our factories, we also maintain relationships with their partners and suppliers. In 2019, we oversaw 150 factories in 11 countries around the world.



We are always committed to assisting our suppliers in monitoring every operation in the supply chain, investigating violations, and making continuous improvements to ensure the safety of workers and factory management at all levels.

Supplier Relationships



5+ YEARS



10+ YEARS



15+ YEARS



LONGEST
RELATIONSHIP

SUPPLIER AUDIT ANALYSIS

MORE THAN
600

TOTAL INTERNAL
AUDITS

96%

TOTAL FACTORY
BASE AUDITED

35%

IMPROVEMENTS
SEEN

MORE THAN
300

TOTAL EXTERNAL
AUDITS

We consider continuous growth of our suppliers as a crucial part of our supply chain management. For the same, we have a dedicated compliance team of 1 Corporate Social Responsibility Director, 3 Compliance managers and 6 compliance auditors to oversee our factory base.

In order to obtain production approval, each factory must undergo rigorous training and review by our team. Within last few years, we have been evaluating our factories on quality management system, social compliance and security issues. In 2019, we broadened our program to include environmental issues.

Apart from regular audits, our team also conducts unannounced audits to ensure our suppliers abide by our code of conduct. Remediation is also an integral part of our program and we assist our suppliers through training, verifications and follow-ups to ensure they can stand by industry standards.



QUALITY ASSURANCE

To maintain the quality of each garment, Komar has a dedicated Quality Assurance team working side by side with our factories to maintain quality of the garment. The team comprises of 2 Quality Assurance Directors, 4 Quality Assurance Manager and 77 Quality Control Inspectors spread across the globe. They assist in the implementation of our **5-point Quality Control program** (fabric development, bulk fabric testing, garment testing, inline inspections, and final line inspections), in which garments are evaluated at each step of the production phase to maintain product consistency.

Our QC conducts workshops with the factories prior to production to eliminate issues during the production process. We also use **Smart Testing**, which is an additional third-party garment test to ensure garments do not contain harmful chemicals.



CHILDREN'S SLEEPWEAR REGULATIONS:

As required by Consumer Product Safety Improvement Act (CPSIA) of 2008, all our children's sleepwear products undergo additional testing to show that they do not contain harmful levels of lead and phthalates.

CONFLICT MINERALS:

Following the Section 1502 of Dodd-Frank Act, we commit to not procure materials and components containing "Conflict Minerals" - tin, tantalum, tungsten, or gold (3TG) – originating from within the Democratic Republic of the Congo and adjoining countries (DRC countries). Though we are not subject to SEC disclosure requirements, we continue to work with our supply chain partners to ensure our products are conflict free.

RESTRICTED SUBSTANCE LIST:

We follow the Restricted Substance List formulated by American Apparel and Footwear Association (AAFA) to ensure our products are safe and devoid of any harmful chemicals. In addition, we recommend our factories to get Oeko-tex Standard 100 certification to ensure that all components are harmless and non- toxic.

QUALITY ASSURANCE SYSTEM:

Our factories in Sri Lanka uses Leadtec Shop Floor Control system to monitor quality control in real time with Radio Frequency Identification (RFID) systems and software to scan and approve each item. This coupled with proprietary cloud-based quality assurance program and 2-D pattern technology has assisted in maintaining the quality of the product.



Sustainability

SUSTAINABILITY INITIATIVES

We have partnered with various industry associations and initiatives to support our vision and goals:



Carbon Disclosure Project (CDP):

Since 2010, we have reported our direct and indirect impacts on climate change to CDP.

Sustainable Apparel Coalition (SAC):

Komar is a manufacturer member of SAC since 2018. SAC is a leading apparel, footwear and textile alliance dedicated to sustainable production. As a part of SAC, we use Higg Facility and Environment Module (FEM) and Higg Facility Social and Labor Module (FSLM) to score and review sustainability and social impact of our suppliers.

Social & Labor Convergence Program (SLCP):

We have been working with SLCP since 2018 to promote “safe and fair social labor conditions” and reduce audit fatigue for our suppliers. Komar is a retail member of the Social Labor and Convergence Program (SLCP). The purpose of SLCP is to establish a set of industry-wide requirements for assessing social and labor conditions, to reduce repetitive audits with similar results and little added value.



DISTRIBUTION CENTERS

We believe that if we conserve the resources that support us, we will have more resources to move forward with. We are looking at our entire supply chain through a lens of sustainability in coherence with our holistic business practices. With an aim to improve air, water and quality of life of our employees and community, we have taken several steps to reduce our carbon footprint and creating additional value for our products.

LED Systems: Our headquarters in New Jersey and our distribution centers in California and Oklahoma have installed LED systems to reduce our energy output and save costs, which we put back in similar projects.

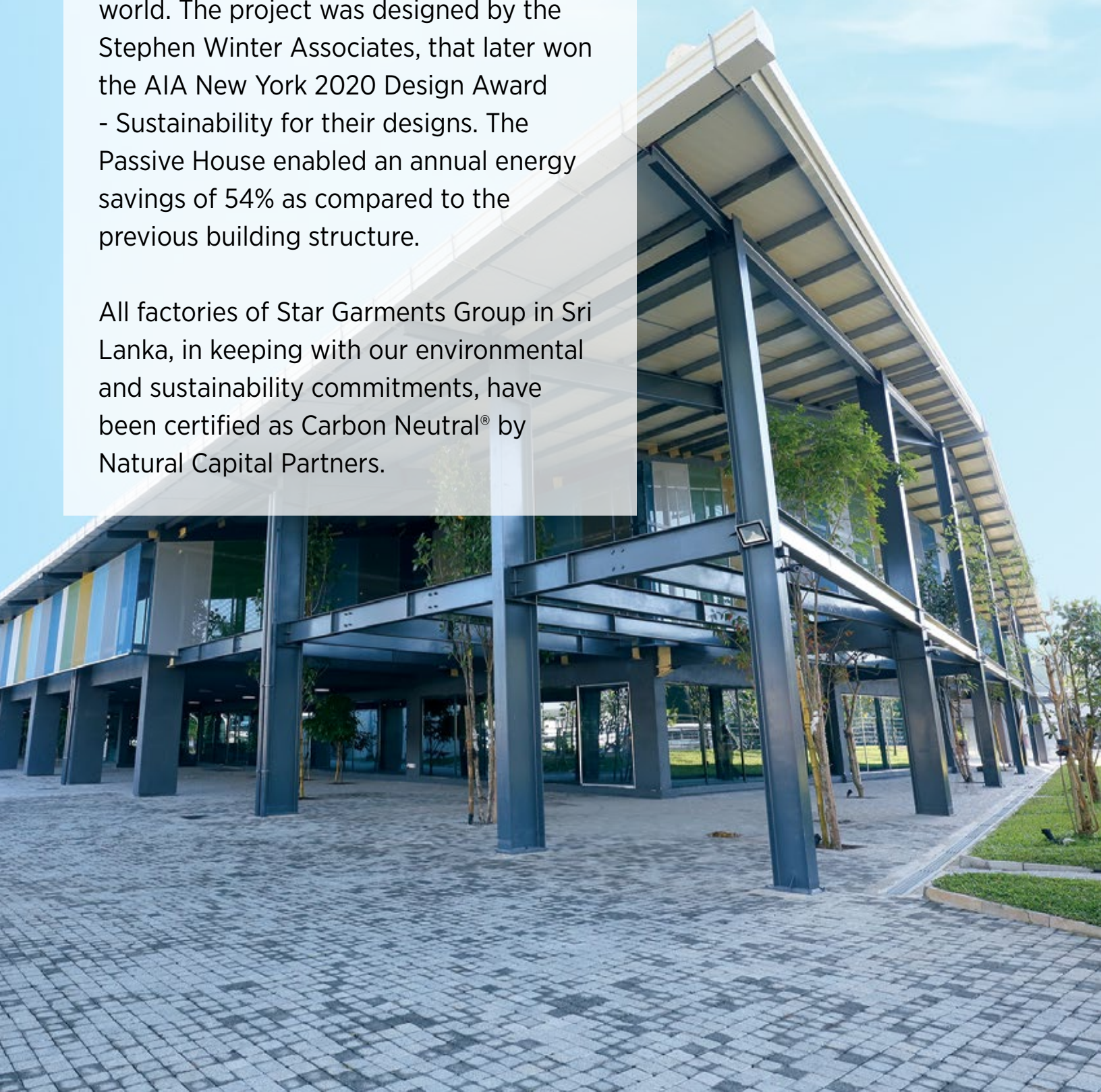
Electric equipment: At our California distribution center, we purchased electric trucks and forklifts to reduce energy consumption, saving **175,052 kWh** by 2019.

Solar panels: Our most recent project completed in 2019 is the installation of solar panels in our Oklahoma distribution center, designed to save **501,365 kWh** of electricity annually.



Star Innovation Center is the first Passive House in South Asia, and one of the two certified factories building in the world. The project was designed by the Stephen Winter Associates, that later won the AIA New York 2020 Design Award - Sustainability for their designs. The Passive House enabled an annual energy savings of 54% as compared to the previous building structure.

All factories of Star Garments Group in Sri Lanka, in keeping with our environmental and sustainability commitments, have been certified as Carbon Neutral® by Natural Capital Partners.



WASTE REDUCTION

Every year, tons of fabric waste is discarded in New York City area which either ends up in landfills or incineration, both of which are harmful for the environment. Creative upscaling/recycling companies are gradually addressing this issue and are receiving industry support to pay more attention to fabric waste and raw material consumption.



Fabscrap is a non-profit organization, which collects such fabric waste from businesses and repurpose it either through recycling or reusing the waste. We partnered with Fabscrap for our office in New Jersey in 2019 and since then we have redirected all our waste from landfills to reuse.

KOMAR IN 2019

44

Brown Bags

65

Black Bags

3

Black Rolls



Our sourcing division believes that every product should be created with an aim to dispose of responsibly. We are very thoughtful of where our raw material comes from, how they are produced and what processes are involved to create an environment-friendly garment. Since the last few years, we have been slowly transitioning towards more sustainable materials with better end life use. In 2020 and years to come, we plan to introduce sustainable fabrics such as BCI cotton, recycled polyester and organic cotton in all our product range.

A similar transition applies to our product packaging. Currently, all our hangtags and labels are made from recycled paper. We further plan to implement efficient packaging methods to maximize the use of space and sustainably package our products.

Sourcing Vision

- SUSTAINABLE FABRIC
- SUSTAINABLE PACKAGING
- SUSTAINABLE TRIMS



Community

EMPLOYEE ENGAGEMENTS

At Komar, we believe that the secret to success lies in a happy and fun work environment. We have a variety of programs in place to ensure we support those who support us.

Strong Body, Strong Mind

Yoga classes are conducted twice in a week for our employees to strengthen their body. In addition, to connect our bodies and minds, we conduct meditation classes twice a week.



Breast Cancer Awareness

Our Intimates division hosted a bra-fitting event in lieu of Breast Cancer Awareness month. The design team held a bra-fitting session for our employees.

Bring Your Kids to Work Day

With more than 50 kids participating, this event is so far our favorite employee event. Every year, our employees get a chance to bring their kids to our headquarters in New Jersey and give them a glimpse of their work life.

Education is Key

To support our employees and their families in Sri Lanka, Star Garments offers 25 annual scholarships to employees' children to continue their secondary and university education.



KOMAR CARES INITIATIVES

Our sense of community is vast. Each year, we host a variety of events to bring together our employees and community to celebrate their contributions to one another.

Delivering with Delivering Good

Delivering Good partners with retailers, manufacturers, foundations, and individuals to provide the less fortunate with daily necessities. Since the past few years, we have worked with them to provide over 100,000 garments such as sleepwear, warmers and intimates for people in need.

Volunteering with the Ronald McDonald Charities

We believe to participate in anything that can add color and joy to a child's life. Adhering to this motto, our employees volunteer for family dinners at the Ronald McDonald House Charities and make fun handicrafts with sick children.

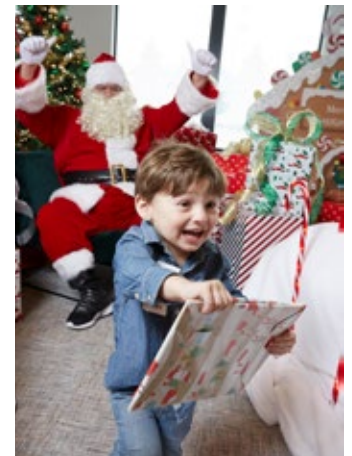
Inspiration with The York Street Project

The York Street Project in Jersey City provides shelter, food, safety and education to homeless or low-income women and their children and assist them on getting back on their feet. Working with them, we host an annual field day where children and teachers will visit our headquarters in New Jersey to learn about the apparel industry and life of a garment.

For young kids and children, we also hold Christmas celebrations where children meet with Santa and receive Christmas gifts.

Getting to the Finish Line with New City Kids

Komar also supports New City Kids, a non-profit entity that assists low-income high school children in their high school graduation and college admissions and teaching life skills. Komar employees participated in their fashion panel and answered questions about working in the fashion industry.



Partnering with Holiday Express

Through Holiday Express Signature program, we give around 18,000 warm blankets every holiday season to adults and children of New Jersey.

SPOTLIGHT:
STANDING UP WITH MIRACLE FEET

Miracle Feet is an international non-profit organization operating in 27 countries that focuses on connecting children born with club feet who need medical assistance to local medical health care providers.



Club feet are a birth defect wherein a child's tissues connecting the muscles to the bones are too short resulting in a foot or feet that face inward or are twisted out of position. If diagnosed at an early stage, non-surgical treatment options can be implemented or if required, Ponseti method can be used to later stage to treat them. Unfortunately, due to limited information and resources, over 400 children in Sri Lanka who are born with this condition are not able to get treatment on time.



Since 2017, Komar has partnered with Miracle Feet in Sri Lanka to fill technical, medical and financial gaps and help young children in our Sri Lankan community lead happy, carefree lives.

Guided by our vision, we aim to work and achieve below goals in the next few years

Supply Chain Mapping

To maintain the transparency throughout our supply chain, we plan to add and monitor all our supplier on Higg Index platform.

Sustainable Sourcing

For our entire product range, we intend to assess the impact of our products and implement sustainable practices and materials in our merchandise.

Safe Products

In the coming years, our goal is to further rigorous our quality procedures and adhere to Oeko-tex standards throughout the supply chain.

Eliminate Carbon Emissions

In spite of growing resource consumption, we strive to reduce our carbon emissions every year and move towards a carbon neutral supply chain.

Waste and Water Reductions

With conservation as the key, we want to reduce waste and water use through recycling, efficient use of materials, and reuse where appropriate.

Building Community

In keeping with our history, we will collaborate with more organizations to give back in our community and volunteer our services.

Circular Innovations

We plan to focus more on the lifecycle of our products and innovate methods to reduce, recycle and reuse them.

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