

KONTOOR BRANDS (KTB)- ANIMAL DERIVED MATERIALS (ADM) POLICY

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POLICY FUNDAMENTALS

Kontoor Brands (KTB) believes in treating animals with care and respect. In cases where we use animal derived materials in our products, we are committed to ensuring the animal's ethical treatment.

We use the Five Freedoms as our guiding principles for animal welfare:

1. Freedom from hunger and thirst
2. Freedom from discomfort
3. Freedom from pain, injury and disease
4. Freedom to express normal behavior
5. Freedom from fear and distress

We also acknowledge the potential negative side effects on the environment of Animal Derived Materials (ADM's) and will use this policy to help address those impacts now and in future iterations of it.

We will actively promote the further development and use of viable commercial substitutes to ADMs that meet the needs of our business, brands and end users with increasing focus in that area.

We value continuous improvement. To keep this policy as robust as possible we will periodically review it to ensure that it is relevant, credible, current and matches our sphere of control within our ADM supply chain.

SCOPE

This policy is applicable to all KTB Brands and Supply Chain in the procurement, sourcing and manufacture of all products produced for any KTB Brand (including but not limited to hides, fabrics, insulation, trims and accessories). This policy does not apply to licensee products.

We encourage our supply chain partners to use this policy for materials beyond those sourced for KTB.

This policy does not apply to feedstock used for recycled ADM's in KTB products (e.g. wool garment inputs for recycled wool, leather scrap inputs for recycled leather).

Origination of Materials

ADM's used by KTB Brands must a) be from animals whose main purpose for slaughter is food production (i.e. leather) or b) be extracted from animals without necessitating their slaughter (i.e. wool) and in either case, c) must derive from domesticated animals.

Prohibited Materials

We specifically prohibit the use of the following ADM's:

A - Animal fur – any animal skin or part thereof with hair or fur fibers attached thereto, either in its raw or processed state or the pelt of any animal killed for the animal's fur. "Animal" includes, but is not limited to mink, fox, rabbit, karakul lamb and raccoon dog. Based on the definition for "Animal Fur" the following materials are permissible 1) such skins as are, or are to be, converted into leather or which in processing have, or shall have, the hair, fleece, or fur fiber completely removed, 2) materials clipped, shorn, or combed from live animals, 3) hides or skins with hair attached to skin converted to leather including cowhide with hair attached, fleece, sheepskin and shearling, 4) synthetic materials intended to look like fur.

B - Angora rabbit wool – wool derived from the Angora rabbit.

C - Exotic skins – skins that are not specifically approved for use in this policy document or relevant supporting materials.

D - Skins from vulnerable, endangered, critically endangered, extinct in the wild species – as characterized by The Convention on International Trade in Endangered Species (CITES) (<https://www.cites.org>)

General Criteria for Permissible Materials

The primary ADM used by KTB is leather. Pulling from various industry sources, consulting with internal and external stakeholders and considering the opinions and concerns of the general public, we have created this ADM Policy, including the list of permissible materials, with specific and enforceable material.

Adding to the Permissible Materials List

ADM's that are not specifically listed in this document or supporting materials as permissible are prohibited for us by KTB Brands. Should a KTB Brand want to utilize a material not specifically listed as permissible for use, they may submit that material for review to the Global Sustainable Business team.

Policy Activation and Enforcement

KTB is committed to continuous improvement of the criteria and enforcement of its ADM policy. We have set the following compliance goals. All existing suppliers of ADM's must adhere to the below implementation timeline. New suppliers of ADM's will be given the same time period to achieve policy adherence starting from their initial contract date.

A - Level 1 – Communication and Acknowledgement (Q4 2020)

- Begin to train and educate ADM suppliers regarding KTB's ADM policy
- Communicate ADM Policy to all ADM Suppliers
- Submission of list of all ADM's and quantities used in KTB products via our annual KTB Materials Inventory or through alternative means determined by KTB
- If outside of policy, supplier must submit a plan to achieve policy adherence.

B - Level 2 – Adherence & Self-Declaration (End of 2021)

- Complete ADM suppliers' acknowledgement of commitment to adhere to KTB's ADM Policy (signed acknowledgment completed)
- All suppliers (new and existing) must sign the KTB ADM policy agreement declaring adherence to our criteria
- Suppliers must provide proof of country of origin and state or province where the animal was born and bred for all ADM's sold to KTB

C - Level 3 – Verification & Audit (2022, forward)

- KTB will randomly select suppliers for auditing to ensure policy adherence. Non-compliance will be subject to Corrective Action Plans in a similar fashion to other forms of supplier non-compliance
- KTB will ask ADM suppliers to begin to adopt third party ADM certifications where feasible and applicable

D - Level 4 – Certification (dependent on risk and material type)

- KTB will reinforce its existing policy criteria for ADM's with best-available third-party certifications where feasible and applicable
- Appropriate certifications for each ADM will be determined based on their inclusiveness of the policy criteria in KTB's ADM policy
- Effort will be made to not limit allowable certifications to one appropriate scheme but rather to include all viable schemes

Governance

LTB's Responsible Sourcing and Sustainability teams will conduct an annual review of its ADM policy including a global inventory of ADM's (via the KTB Materials Inventory) and a random sample audit of suppliers and a corresponding risk assessment of animal welfare and environmental issues. Identified non-conformity will lead to Supplier and Brand education and an action plan to address outstanding issues.

Collaboration

We are committed to constantly improving our ADM Policy and practices by working with relevant stakeholders including animal welfare organizations, materials suppliers, industry groups and competitors.

Policy Criteria

Criteria	Guidance	Examples
Overall		
Supply chain actors raising, harvesting, and processing ADMs shall comply with or go beyond all local laws and regulations.	Must comply with all laws including those that pertain to animal welfare and husbandry.	Facilities must comply with local labor standards as well as animal husbandry laws.
A supply of ADM's to KTB shall not outsource to suppliers who do not adhere to KTB's ADM Policy.	Any outsourcing of production done must be approved by KTB and suppliers who receive approved production must also comply fully with this policy.	N/A
ADM's shall only come from domesticated animals.	The definition of domesticated animals, as defined by the US Fish and Wildlife Service regulations 50 CFR 14.4, can be found here.	Cattle, Pig, etc.
A farm or ranch that raises livestock destined for use in KTB product shall not engage in parallel production.	Parallel production is defined as carrying policy-adherent ADM's and non-policy adherent ADM's at the same location.	A farm selling wool destined to end up in a KTB product may not mules any of their sheep including production for other brands.
Leather, Skins		
Leathers and skins shall only come from cattle, buffalo, sheep, goats, horse or pigs	Any animals other than those listed are not permissible for us in KTB apparel or footwear products. Inclusive of allowable materials are Shearling and Cowhide with Hair Attached.	Leather from dogs, cats, snakes, alpaca, lizards, crocodiles, alligators, ostrich, stingray, eel, shark, kangaroo, etc. cannot be used.
Leathers shall not come from farms in the Amazon Biome that have contributed to New Amazon Deforestation.	Source leather from the Amazon biome must come with proof that the land where animals were raised did not contribute to new deforestation.	N/A
Leather should be tanned and/or re-tanned in facilities with Leather Working Group certification wherever possible.	Any level of certification is acceptable with higher levels of certification being more desirable. Information about the Leather	N/A

	Working Group's practices and principles can be found here.	
Live-skinning shall never be used.	Live skinning is when an animal's skin is harvested from it while it is still alive.	N/A
Down		
Down and feathers shall only come from duck or geese.	Any waterfowl other than those listed are not permissible in KTB apparel and footwear products.	Down from Marabou Stock are not permitted for us.
All down and feathers must come from Responsible Down Standard (RDS) certified suppliers.	The Responsible Down Standard can be accessed here. All down suppliers, garment vendors, and down material must be certified against the RDS per the standard requirements.	N/A
Wool		
Wool shall only come from sheep, goats, muskox or camelid species.	Any wool-bearing animals other than those listed are not permissible in KTB apparel and footwear products.	Wool from Angora rabbits is not permitted for use. Shearling is permitted for use.
There shall be no mulesing of sheep used for wool production destined for KTB products.	Mulesing involves the removal of strips of wool-bearing skin from around the breech of sheep meant to prevent fly strike. Ceased mulesing is permissible.	N/A
Mohair		
Mohair may only be used if done so in conjunction with an animal welfare certification that ensures fair treatment of animals.	In order for mohair to be used it must at minimum be certified by an external third party to meet the animal welfare criteria set forth in this document.	As of July 2018, there are no certification schemes that meet the aforementioned criteria for Mohair.

Appendix I: Definitions

Animal Derived Materials	Materials derived from an animal for use in commercial products.
Angora Wool	The fibers that come from the Angora rabbit. Same as Angora Hair and Angora Fiber.
Amazon Biome	6.7 million km ² of predominantly dense moist tropical forest shared by Brazil, Bolivia, Peru, Ecuador, Colombia, Venezuela, Guyana and Suriname as well as the overseas territory of French Guiana.
Down	The soft layer of feathers closest to birds' skin, primarily in the chest region. Same as Down Feathers.
Endangered Species	A species of animal or plant that is seriously at risk of extinction.
Exotic Skins	Non-traditional animal skins used in apparel and footwear manufacturing. Non-traditional is a term subject to opinion.
Five Freedoms	Five aspects of animal welfare under human control developed by the UK Farm Animal Welfare Council.
Forced-feeding	Force-feeding is any form of feeding that forces the waterfowl to eat more than it wants/needs.
Forced-molting	The practice of artificially provoking waterfowl to molt typically through withdrawal of feed.
G4 Cattle Agreement	A 2009 Greenpeace led agreement by the four largest meat packers in Brazil to not purchase cows from lands deforested after the agreement.
Hides	An animal skin treated for human use. Same as Animal Hides or Skins or Animal Skins.
IUCN Red List	Provides taxonomic, conservation status, and distribution information on taxa (plants, animals, etc.) that are facing a high risk of global extinction.
Leather	A material made from the skin of an animal by tanning or a similar process.
Live-plucking	Any form of removing down and feather from living waterfowl.
Live-skinning	When an animal's skin is harvested from it while it is still alive.
MPF-TAC Agreement	The outcome of a 2009 Brazilian government lawsuit against cattle ranchers who illegally cleared forests for cattle ranching.
Mulesing/Ceased Mulesing	Mulesing involves the removal of strips of wool-bearing skin from around the breech of a sheep meant to prevent fly strike. Ceased Mulesing is defined according to the Responsible Wool Standard and are those farms who have obtained ceased mulesing status who have mulesed sheep on their farms but no longer engage in the practice.
New Deforestation	Deforestation that has occurred after 2009 subject to the MPF-TAC and Zero Deforestation/G4 Cattle Agreements.
Responsible Down Standard	A Textile Exchange independent, voluntary global standard, applicable to down, that recognizes best practices in animal welfare.
Responsible Wool Standard	A Textile Exchange standard, applicable to wool, that recognizes best practices in animal welfare.
Shearling	A skin from a recently sheared sheep or lamb that has been tanned and dressed with the wool left on
KTB Materials Index	Annual effort by KTB supply chain team to collect data on materials use from across KTB Brands and Regions.

Vulnerable Materials	ICUN designation for a tax on that is not Critically Endangered or Endangered but is facing a high risk of extinction in the wild in the medium-term future, as defined by any of the criteria (A to E) of the ICUN Red List.
Wool	Crimped, elastic fibers grown in staples typically obtained from sheep.
ZQ Wool Standard	An independent, voluntary standard that promotes best practices in sheep cultivation with respect to animal welfare, farming practices, and environmental management.