

Policy on Cotton Fiber Sourcing Kontoor Brands, Inc.

Scope

This policy outlines requirements for all cotton, from farming to mill, used in Kontoor Brands, Inc. (“Kontoor”) products, including trim. This policy does not address the environmental impacts of cotton farming, ginning, yarn, fabric, or garment manufacturing/finishing.

Overview

Cotton, a key component in denim, is an important raw material for Kontoor. For over a century, the iconic brands (Lee®, Wrangler®, and Rock and Republic®) have been sourcing quality fabrics for denim garment production. However, the growing and harvesting of cotton can have negative environmental and social impacts, including those from fertilizers, pesticides and herbicides, water use, and unfair labor practices. In response, Lee®, Wrangler®, and Rock and Republic® are continuously working to improve the sourcing of textile fabric to reflect cotton farming practices that help reduce these negative impacts on the planet. The focus is to keep reducing the resources needed to grow cotton. Kontoor endeavors to use 100 percent preferred materials by 2025. Preferred materials are supported by data that validate lower environmental and social impact. Kontoor’s preferred fibers are measurably better for our people, products, and planet.

Kontoor will not knowingly engage in any business transaction or commercial relationship (direct or indirect) with any person, entity, country, or territory using forced labor. This includes growing and harvesting cotton and working with any person, entity, country, or region having formal economic or financial sanctions or trade embargoes imposed on them by any government or legal authority having jurisdiction over Kontoor or its affiliates, including, without limitation, as a result of:

- (a) the U.S. Department of Treasury’s Office of Foreign Assets Control (OFAC) List of Specially Designated Nationals and other blocked persons (including terrorists and narcotics traffickers);
- (b) similar restricted party listings, including those maintained by other governments pursuant to applicable United Nations, regional or national trade, or financial sanctions, including, without limitation, those listed on the European Union designated person list;
- (c) embargos or other sanctions or controls imposed by the United States government, the European Union, or other governments (“Applicable Sanctions”).

Suppliers must certify non-engagement of business transactions or commercial relationships with any person, entity, country, or territory that is or was subject to any Applicable Sanctions.

Supplier Commitment

We require our suppliers to follow the steps below.

1. **Sub-supplier Disclosure** – All product suppliers to Kontoor shall maintain a record of all suppliers in the cotton supply chain for products manufactured for Kontoor and its brands, including weaving, knitting, dyeing, finishing, and yarn spinning operations. Kontoor requires suppliers to maintain a record of cotton fiber origin in the supply chain, including cotton farmers, traders, cotton gins, cotton conglomerates, or other associations.

2. **Process** – All suppliers and sub-suppliers to Kontoor shall implement a protocol to document (a) the origin of all incoming cotton-based material, (b) the destination of the corresponding outgoing material, and (c) the connection linking incoming raw materials and export products.
3. **Documentation** – Suppliers and sub-suppliers shall maintain the following documents for a minimum of five years, verifying the country of origin for all cotton fiber used in the production of Kontoor’s products:
 - Executed declarations from all sub-suppliers of cotton-based materials declaring cotton is not from a country or territory formally sanctioned for the use of forced labor, as defined in Terms of Engagement (available [here](#)), and not used in the manufacture of Kontoor products or raw materials used to manufacture Kontoor products;
 - Documentation supporting the processes outlined in Step 2 above;
 - Invoices and Purchase Orders for lint cotton, cotton yarn, and fabric; and,
 - Country of Origin certificates and Bills of Laden with country-of-origin information for lint cotton.
4. **Assessment** – Kontoor or its designated third party may audit suppliers’ or sub-suppliers adherence to this policy. Audits may include documentation requests, onsite assessments, or other necessary activities to validate compliance with this policy.

Suppliers to Kontoor must certify and comply with steps 1-4. Any violation or perceived violation of one or more of these policies may lead to suspension or permanent termination of the business relationship between Kontoor and the vendor and materials supplier.