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Kontoor Water Standard Operating Procedure (Standard)

Owner: Sustainability Department

AVAILABLE TRANSLATIONS:

☐ Chinese	☐ Polish	☐ Dutch	☐ Spanish	☐ German
☐ French	☐ Italian	☐ Other	☐	☐

I. Purpose

The purpose of this document is to set forth the Kontoor Brands, Inc. ("Kontoor") commitment to water use reduction and to comply with all applicable laws, rules, and regulations. It reaffirms our commitment to using water responsibly.

II. Background

Kontoor's sustainability strategy is grounded in the areas where we have the greatest impact. Periodically, we conduct a double materiality assessment to continue addressing our most critical impacts, and their associated risks and opportunities. Through the assessment, we engaged relevant stakeholders to identify our most material topics, and the impacts, risks and opportunities related to those topics, which included water use and water effluence.

III. Scope

Kontoor Brands is a global company with a value chain across the Americas, EMEA (Europe, Middle East and Africa), and APAC (Asia-Pacific). This document applies to all legal entities and employees of Kontoor, including its subsidiaries, manufacturing facilities, distribution centers, retail stores, and office spaces. It also applies to relevant stages of Kontoor's supply chain including raw materials, fabric and trim manufacturing, and garments manufacturing and finishing. This standard does not cover water used by consumers or in end of life nor domestic water used for human consumption or sanitation.

IV. Key Actions

Water is one of our most vital natural resources. Denim manufacturing relies on the availability of water and may increase water scarcity in local communities. Water withdrawal and discharges can negatively impact ecosystems, degrading aquatic and riparian habitats and potentially contributing to downstream wildlife disturbance. Kontoor works to not only use water responsibly, but also return it, clean, back into the communities that depend on it.

We base our water strategy on reducing, reusing, recycling and reinventing to decrease freshwater consumption and aid in compliance with our Brand Facility Guidelines to reduce impact to communities located in water stress locations. We also work to improve wastewater management and reduce pollutant loads to prevent harm to local ecosystems.

A. Through value chain collaboration, we have identified the following actions for responsible water use:

1. ***Design*:** Kontoor's Global Design Standards guides and encourages to increase the creation of products aligned with at least one of our Global Design standards thru:
    a. Focus on preferred material procurement[1]
    b. Saving water in fabric development[2]
    c. Assessing environmental and social impacts of the finishing process[3]

2. ***Raw material sourcing*:** We work to increase use of preferred fibers, including but not limited to:
    a. Recycled fibers,
    b. Cotton grown under regenerative agriculture techniques,
    c. Cotton from geographies including US, Africa, Australia where data suggests either (1) less water is used to grow cotton or (2) continuous improvement in usage of water to grow cotton[1].
    d. Supporting sourcing practices that protect biodiversity, including avoidance of deforestation and land conversion, promotion of soil heath, and reduction of chemical inputs that may harm ecosystems and wildlife.

3. ***Supply chain*:** We work with our supply chain partners in different tiers and geographic regions.
    a. Tier 1 (T1) Suppliers
        i. We ask T1 suppliers to measure water consumption annually with the Higg FEM tool.
        ii. We work with T1 suppliers to tailor finishing recipes by using Jeanologia EIM tool[3] that assesses recipes for water use, chemical use, impact on workers and chemicals.
        iii. We support relevant Key Suppliers in reducing freshwater usage by optimizing production process, recycling, and adopting newer processing technologies that reduce or eliminate water usage:
            1. All suppliers are evaluated based on their business significance and geographic location. Using the WRI Aqueduct tool, we assess the water risk in each vendor's location. By combining this water risk assessment with the supplier's volume importance, we identify Key Suppliers.
            2. T1 Key Vendor water data is assessed and verified by a third party. We collaborate with these suppliers, offering recommendations on how they can reduce their freshwater consumption.
            3. T1 Key Suppliers freshwater savings contribute to our public water target.

    b. Tier 2 (T2) Suppliers
        i. Monitor and track water use of T2 Key Suppliers in our Indigood™ program[2].
        ii. Continuously monitor new additional suppliers in the supply chain and bring new Key Suppliers to Indigood™ program.
        iii. T2 Key Suppliers freshwater savings contribute to our public water target

4. ***Internal manufacturing*:** In our owned manufacturing and operations, we primarily use water for product finishing processes.

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[1] Visit https://www.kontoorbrands.com/sustainability/product for more information on our Preferred Materials.
[2] Visit https://www.kontoorbrands.com/sustainability/indigood for more information about our Indigood™ program.
[3] Visit https://eim.jeanologia.com for more information about the Jeanologia EIM program.

B. Through value chain collaboration, we ensure responsible operations for wastewater:

1. Our Facility Guidelines detail how Kontoor suppliers must comply with all laws and regulations relating to environmental protection in the countries in which they operate. Suppliers must have policies and procedures in place to ensure environmental impacts are minimized with respect to water, waste and other significant environmental risks. They are expected to make sustainable improvements in environmental performance and require the same from their suppliers and subcontractors.

2. Wastewater sampling and reporting must be conducted at minimum once a year by the ZDHC accepted laboratories.

C. **To monitor progress, we set a water reduction target against a 2019 baseline for all Key Suppliers and our internal manufacturing.** We work to publish our progress towards this target annually.

V. Voluntary Target:

Save a combined 8 billion liters of fresh water from key suppliers in water-stressed regions, compared to a 2018-2019 baseline, and through internal manufacturing process, compared to a 2020 baseline, between 2023 and 2030.

VI. Metrics:

In addition to tracking our voluntary target, we also track total freshwater consumption, freshwater consumption per revenue (water intensity) and total reused and recycled water. Additionally, we measure our raw materials in metric tons (MT) per origin and per quality.

VII. Responsibilities, Compliance, and Enforcement

Successful implementation of this SOP requires cooperation from all employees across Kontoor. Kontoor's Sustainability Governance Council is responsible for governing this SOP with cooperation from Kontoor's Sustainability, Responsible Sourcing, Internal Manufacturing, and Procurement Departments and for enforcing its provisions.

This document is available to all relevant stakeholders on the Kontoor Brands website. At Kontoor Brands, we hold our contracted factories to the same high standards of environmental responsibility found in our own facilities. We evaluate potential contracted factories against our rigorous standards and require them to agree to our Terms of Engagement, our Global Compliance Principles, and relevant policies prior to entering our supply chain.

VIII. Amendments

The Kontoor Sustainability Department will periodically review this document and its procedures, and this SOP may need to be amended from time to time to comply with applicable laws, rules, and regulations and at Kontoor's sole discretion.

I. Definitions

Freshwater: Water that comes from precipitation of atmospheric water vapor, reaching inland lakes, rivers, and groundwater bodies directly, or after melting snow or ice. For industrial use, we refer to the definition, defined by CDP (Carbon Disclosure Project) that describes freshwater as water requiring minimal treatment to be acceptable for domestic, municipal or agriculture uses (at least <10,000mg/l total dissolved solids (TDS), though a range of additional quality properties may also be considered.

Key Suppliers: Suppliers are categorized by tier according to their (1) business significance (measured by production volume), (2) water usage (notably high for mills and T1 vendors with laundry operations), and (3) geographical location linked to water stress. The goal of this classification is to ensure that at least 80% of our business volume is represented within the selected vendors, focusing on resource efficiency and strategic importance.