

# Sustainability Report 2025

**KONTOOR**

Kontoor Brands, Inc.





# INTRODUCTION

**At Kontoor, advancing sustainability is a dynamic process of continual improvement for people, for our product and for the planet – enabling shared prosperity for all.**

We strengthen our sustainability progress by delivering on our commitments.

## About this report

Our 2025 Sustainability Report builds on our established practices of providing robust and transparent information for our stakeholders.

The information contained in this report covers our 2025 fiscal year, which was December 29, 2024, to January 3, 2026.

Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided in this report. The controls, processes, practices and infrastructures described in this report are not intended to constitute any representation, warranty or other assurance that such controls, processes, practices and infrastructures will result in any specific outcome, result or achievement of a stated target or goal.



On June 2, 2025, Kontoor announced that it had completed the acquisition of *Helly Hansen*® and *Musto*® (collectively referred to as "Helly Hansen"). Because the acquisition was completed during the 2025 reporting period, some information in this report does not yet include the full impact of the acquisition. We have worked to ensure the scope of each section is as clear as possible. All data is presented separately for legacy Kontoor and Helly Hansen. We plan to publish a combined report for FY2026.



On May 21, 2026, Kontoor announced it had signed a definitive agreement to sell the *Lee*® business. The information in this report does not reflect any impacts from this change to the business as it falls outside of the scope of our 2025 reporting window.



# WHAT'S INSIDE

## Introduction

- 1 About this report >
- 3 Performance highlights >

## Our approach to sustainability

- 5 Business model and value chain >
- 6 Sustainability strategy and goals >

## Climate

- 13 Targets and commitments >
- 15 Our performance >

## Water

- 17 Targets and commitments >

## Materials

- 20 Targets and commitments >
- 21 Preferred Materials >
- 24 Innovation and collaboration >

## Chemicals

- 26 Targets and commitments >
- 28 Our performance >

## Our workforce

- 31 Targets and commitments >
- 32 Our approach >
- 33 Health and safety >

## Workers in the value chain

- 37 Targets and commitments >
- 38 Our approach >
- 41 Engaging with workers >

## Sustainability governance

- 43 Sustainability governance structure >
- 47 Policies and standards >
- 49 Forward-looking statements >

Look out for these symbols throughout the report

> Internal page link

[External page link](#)

 [External link to Kontoor Brands policy](#)



# 2025 PERFORMANCE HIGHLIGHTS<sup>1</sup>

100%

of in-scope suppliers supported a worker well-being program

2024: 92%



98%

of cotton sourced<sup>2</sup> was Preferred Cotton

2024: 76%



90%

chemical conformity with ZDHC MRSL

2024: 84%



1.8bn

liters of water saved through our Indigood™ program

2024: 1.3bn



5,872MT

of regenerative cotton sourced<sup>2</sup>

2024: 1,758MT

38%

of synthetics sourced<sup>2</sup> were Preferred Synthetics

2024: 38%



5bn

liters of water saved since 2023<sup>3</sup>



<sup>1</sup> The Performance Highlights detailed here are reflective of the collective performance of the *Wrangler®* and *Lee®* brands in 2025. This data does not include Helly Hansen.

<sup>2</sup> Kontoor does not directly purchase raw materials but instead works with suppliers to select raw materials for use in our products by third-party manufacturers.

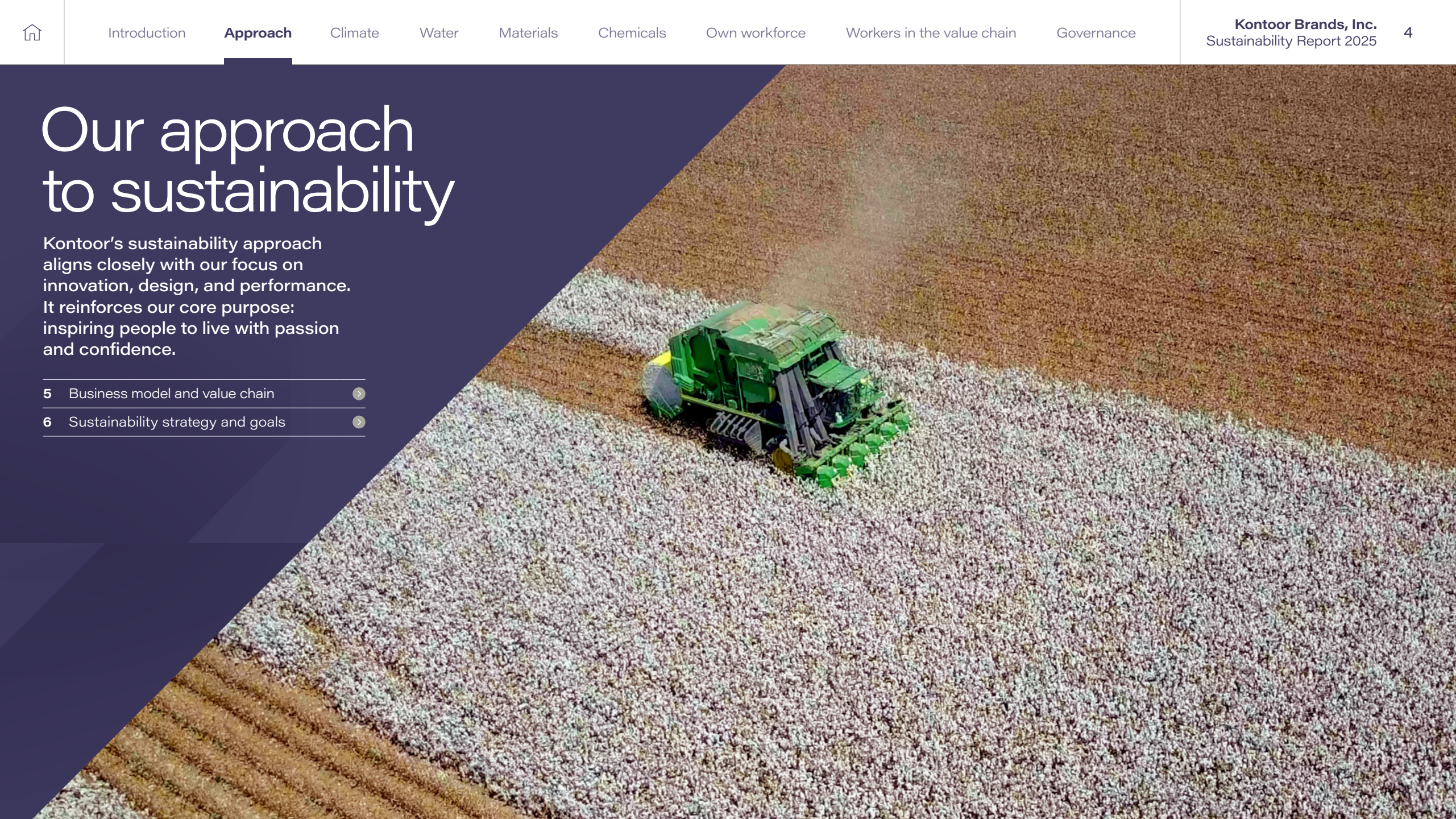
<sup>3</sup> Water saved from key suppliers, compared to a 2018-2019 baseline, and through internal manufacturing processes, compared to a 2020 baseline.



# Our approach to sustainability

Kontoor's sustainability approach aligns closely with our focus on innovation, design, and performance. It reinforces our core purpose: inspiring people to live with passion and confidence.

- 5 Business model and value chain >
- 6 Sustainability strategy and goals >



# BUSINESS MODEL AND VALUE CHAIN

In 2025, Kontoor Brands had a portfolio of three of the world’s most iconic lifestyle, outdoor and workwear brands: *Wrangler*®, *Lee*® and *Helly Hansen*®. Kontoor Brands is a purpose-led organization focused on leveraging its global platform, strategic sourcing model and best-in-class supply chain to drive brand growth and deliver long-term value for its stakeholders.

## Our products

In 2025, our three reportable segments were *Wrangler*®, *Lee*®, and *Helly Hansen*®, which primarily include sales of branded products along with various sub-brands and collections.

*Wrangler*® is an iconic American heritage brand rooted in the western lifestyle, with 79 years of history offering denim, apparel, footwear and accessories for adults and children.

*Lee*® is an iconic American brand offering denim, apparel, footwear and accessories for adults and children, with 137 years of heritage and authenticity.

*Helly Hansen*® is a global technical outdoor and workwear brand with 149 years of history, which offers professional grade product and is recognized for its leadership in innovative, technical products engineered for demanding outdoor environments.

We also present an “Other” category, which includes sales and licensing of *Musto*®, *Chic*®, other company-owned brands and private label apparel.

We continue to enhance our existing product assortment, broaden our product offering, and expand into adjacent product categories with a focus on outdoor, workwear and t-shirts.



## Markets and customer groups served

Our distribution channels include U.S. wholesale, non-U.S. wholesale and direct-to-consumer retail. For more information, please see our [2025 Annual Report on Form 10-K](#).

**U.S. wholesale** is our largest distribution channel and accounted for approximately 64% of net revenue in 2025. Within this channel, *Wrangler*®, *Lee*®, and *Helly Hansen*® products are marketed and sold by mass merchants, outdoor and sporting goods stores, specialty stores, department stores, company-operated stores, business-to-business through our workwear and uniform businesses, and online – including digital marketplaces.

**Our international wholesale** channel accounted for approximately 21% of net revenue in 2025. The majority of the international wholesale business is located in EMEA and APAC, where we sell our products to outdoor and sporting goods stores, department stores and specialty store wholesale customers, online, including digital marketplaces, as well as through our distribution and license relationships. In Canada and Mexico, our products are primarily marketed through mass merchants, department stores and specialty stores, including outdoor and sporting goods stores. A portion of our international wholesale net revenue is attributable to digital sales from our wholesale partners' websites, third-party e-commerce platforms, and other pure-play digital retailers.

Our **direct-to-consumer** channel accounted for approximately 15% of net revenue in 2025 and represents sales of our products through our *Wrangler*®, *Lee*® and *Helly Hansen*® branded full-price and outlet stores, online and international concession arrangements.



# SUSTAINABILITY STRATEGY AND GOALS

At Kontoor, we emphasize operating with the highest standards of ethics and transparency and sourcing products and materials from companies that share our values.

Our sustainability goals align with our top material impacts across the value chain – as determined by our Double Materiality Assessment (➤ see page 47).

## Our impacts across the value chain

To ensure our strategy and reporting is grounded in the areas where we have the greatest impact, we conduct regular Double Materiality Assessments (➤ see page 46).

Kontoor's direct and indirect impacts, related to raw materials, production and distribution, span the entire value chain.

On June 2, 2025, Kontoor announced that it completed the acquisition of *Helly Hansen*® and *Musto*® (collectively referred to as "Helly Hansen"). Because the acquisition was completed partway through the reporting period, some information in this report does not yet include the full impact of the acquisition. Our most recent Double Materiality Assessment did not include impacts related to Helly Hansen; therefore, its impacts, risks and opportunities are not included below.



## Product design

Many of a garment's impacts are determined by its design – from material use and durability to whether it can be recycled at the end of its useful life. Our designers for the *Lee*® and *Wrangler*® Brands are encouraged to apply the Kontoor Global Design Standards with both our third-party suppliers and our owned manufacturing facilities. The Global Design

Standards act as a toolbox that product teams can use to build more sustainable products. These aspirational Standards cover the entire life cycle of a product. For example, product designers work to embed materials from our internal Preferred Materials List (a dynamic list of raw materials chosen based on environmental and social factors (➤ see page 21), select fabrics from our Indigood™ program (➤ see page 18), use Jeanologia's Environmental Impact Measurement (EIM) tool (➤ see page 7) to measure the impact of the finishing stage, and follow our guidelines for incorporating circular principles. We plan to incorporate the Global Design Standards into the Helly Hansen design process in the future.



## Raw materials production

The production and processing of raw materials are significant contributors to our greenhouse gas (GHG) emissions, making material choice a critical component of reducing our GHG footprint. Kontoor does not directly produce or source raw materials. Instead, we focus on managing the impacts of raw materials with our suppliers, prioritizing the two materials used most often in our products: cotton and synthetics. These materials originate from many countries and may have varying social and environmental impacts. Given that our suppliers can be located several supply chain tiers away

from our brands, we collaborate throughout the value chain to promote high ethical, social and environmental standards. This includes encouraging innovation of recycled and low-impact solutions and verification and certification of responsibly sourced materials. Our Preferred Materials List prioritizes raw materials like organic cotton and recycled fibers, aiming to make the use of these materials more accessible and less expensive through increased scalability.



## Raw materials processing

Our suppliers process raw materials into yarn and intermediate materials using traditional techniques alongside new innovations. Supply chain complexity presents challenges when it comes to traceability as materials are often blended and combined by upstream suppliers.

Opportunities to reduce potential negative impacts include increasing the traceability of the blending process, selecting yarns based on environmental data, and promoting the use of renewable energy. Using more yarn made from open-end spinning – which takes significantly less time and energy than conventional ring spinning – is a part of our emissions reduction strategy.



## SUSTAINABILITY STRATEGY AND GOALS CONTINUED



### Textile production

At our supplier mills, intermediate materials are made into fabric through knitting, weaving, dyeing, finishing and washing. The environmental impacts include energy use, water consumption and waste generation. Fabric production accounts for a significant portion of our Scope 3 GHG emissions as many fabric manufacturers in the global supply chain still rely on fossil fuels. Supplier engagement is key to reducing these impacts and to changing long-standing processes through investment and capability building. Innovative approaches – such as digital printing and our Indigood™ program (➤ [see page 18](#)) – provide important opportunities to drive industry-wide changes. We also encourage our suppliers to commit to science-based emissions targets.



### Product manufacturing

Turning textiles into garments involves cutting, sewing and finishing in our owned facilities and by our third-party suppliers. Garment finishing can involve chemical or mechanical finishing, both of which are resource intensive. We use Jeanologia's EIM tool to drive transparency and resource efficiency. Human rights and worker well-being are other key impacts that must be managed



### Logistics and distribution

in the supply chain. Our Responsible Sourcing program holds suppliers to the same high ethical standards as our internal manufacturing, and we encourage these suppliers to commit to science-based targets (SBTs).



### Consumer use and end-of-life

Our products are packed, transported and labeled – first from the factory to a distribution center and then to customers and consumers. Packaging, including ticketing and polybags, ensures products reach consumers in ideal condition, avoiding damage in transit and unnecessary waste. Kontoor owns or has direct control over much of its distribution network, including 3 zero waste distribution centers in North America. Tracking and monitoring logistics help identify opportunities to optimize routes, reconfigure processes, and reduce impacts.



### Retail

We focus on reducing the energy consumption of retail stores, increasing the reuse and recycling of materials, educating consumers and developing retailer/brand partnerships to meet shared sustainability objectives. We engage and inform consumers by providing clear and transparent

sustainability information on relevant products and packaging.

We foster close and longstanding relationships with customers to ensure that our retail partners can meet their sustainability goals and reduce the environmental impacts of our products. As their supplier, a reduction in Kontoor's emissions is also a reduction in our customers' Scope 3 emissions.



### Sustainability goals

In addition to internal manufacturing, about 77% of our products are manufactured by supply chain partners. We ensure that these partners prioritize worker well-being, water and GHG emissions reduction, preferred materials, and Zero Discharge of Hazardous Chemicals (ZDHC) compliant chemistry.

We focus on developing the processes and systems needed to drive, monitor and track progress against our sustainability goals. Launched in 2022, Kontoor's Global Design Standards encourage our product teams to move towards more sustainable and efficiency-driven approaches in materials, fabric and finishing. In 2024, we expanded the Global Design Standards to include a pathway for circular design principles.

As we meet our current goals and/or mature our sustainability programs, we are working towards future goals that will be context-based or science-based.

In 2025, the Sustainability Governance Council approved updated goals for Worker Well-being and Preferred Cotton (➤ [see table on next page](#)).



## SUSTAINABILITY STRATEGY AND GOALS CONTINUED

Our commitment to continual improvement has delivered key successes for our global sustainability goals. Progress against the goals set out in the following table does not include impacts of Helly Hansen. We intend to integrate this information into future reports.

| Planet                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                    |                                                                                                                                       |                                                                                                                                         |                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Goal                                                                                                                                                                                                                          | Definition and Scope                                                                                                                                                                                                                                                                               | 2025 Performance                                                                                                                      | 2024 Performance                                                                                                                        | 2023 Performance                                                                                                                                                                           |
| Climate                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                    |                                                                                                                                       |                                                                                                                                         |                                                                                                                                                                                            |
| <b>Reduce absolute Scope 1, 2, and 3 GHG emissions by 46.2% by 2030 from a 2019 base year.</b>                                                                                                                                | Scope 1 and 2 are defined by the Greenhouse Gas Protocol. <sup>1</sup><br><br>Scope 3 covers purchased goods and services, fuel and energy-related activities, and upstream transportation and distribution.                                                                                       | See our Consolidated Performance Databook 2025 for our limited 2025 GHG footprint.                                                    | See our Consolidated Performance Databook 2024 for our limited 2024 GHG footprint.                                                      | The Science Based Target initiative (SBTi) approved our climate goals as SBTs in September 2023.<br><br>See our Consolidated Performance Databook 2024 for our limited 2023 GHG footprint. |
| Water                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                    |                                                                                                                                       |                                                                                                                                         |                                                                                                                                                                                            |
| <b>Save 8 billion liters of fresh water from key suppliers in water-stressed regions, compared to a 2018-2019 baseline, and through internal manufacturing processes, compared to a 2020 baseline, between 2023 and 2030.</b> | Key suppliers in water-stressed regions are defined as suppliers with business significance (at least 80% of our annual production volume) that utilize high volumes of water in their operations (fabric mills and Tier 1 suppliers with laundry) and that are located in water-stressed regions. | As of December 2025, we were approximately 63% of the way towards our water savings goal, with 5 billion liters of total water saved. | As of December 2024, we were approximately 35% of the way towards our water savings goal, with 2.8 billion liters of total water saved. | Set a new water goal.<br><br>1.1 billion liters saved in 2023 from internal manufacturing through Indigood™, efficiency improvement and recycling program.                                 |

1 The Greenhouse Gas Protocol is a comprehensive global framework for measuring and managing greenhouse gas emissions. See <https://ghgprotocol.org/>.

SUSTAINABILITY STRATEGY AND GOALS CONTINUED

| Product                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                        |                                                                                                                                                 |                                                                                                                                                                                 |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Goal                                                         | Definition and Scope                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2025 Performance                                                                                                                                                                                                                                       | 2024 Performance                                                                                                                                | 2023 Performance                                                                                                                                                                |
| Materials <sup>2</sup>                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                        |                                                                                                                                                 |                                                                                                                                                                                 |
| <b>Source<sup>2</sup> 100% Preferred Cotton by 2025.</b>     | <p>Preferred Cotton is defined as any one of the following: cotton grown in the U.S., Africa (except Egypt or South Africa), or Australia; recycled cotton from validated post-consumer or post-industrial sources; or cotton certified under organic or regenerative frameworks.</p> <p>Scope: All material consumption data is based on our overall global consumption and excludes licensee products, accessories, and collaborations. The data covers shell fabric materials used in products only and therefore excludes components such as fillings, linings, and trims.<sup>3</sup></p> | <p>98% of cotton sourced in 2025 was Preferred Cotton.</p> <p><b>Set new cotton goal:</b> Achieve and maintain 100% cotton sourced from the Preferred Materials List (➡ see page 21), while increasing recycled cotton to a minimum of 7% by 2035.</p> | <p>76% of cotton sourced in 2024 was Preferred Cotton.</p> <p>Cotton accounted for around 86% of our total raw materials used.</p>              | <p>74% of cotton sourced in 2023 was Preferred Cotton.</p> <p>Cotton accounted for around 86% of our total raw materials used.</p> <p>Launched the Global Design Standards.</p> |
| <b>Source<sup>2</sup> 100% Preferred Synthetics by 2030.</b> | <p>Preferred Synthetics is defined as any one of the following: recycled synthetic fibers from validated post-consumer or post-industrial sources, synthetics made from bio-based feedstocks, or synthetics with additives that enhance biodegradability.</p> <p>Scope: All material consumption data is based on our overall global consumption and excludes licensee products, accessories, and collaborations. The data covers shell fabric materials used in products only and therefore excludes components such as fillings, linings, and trims.<sup>3</sup></p>                         | <p>38% of synthetics sourced in 2025 were Preferred Synthetics.</p>                                                                                                                                                                                    | <p>38% of synthetics sourced in 2024 were Preferred Synthetics.</p> <p>Synthetics accounted for around 13% of our total raw materials used.</p> | <p>30% of synthetics sourced in 2023 were Preferred Synthetics.</p> <p>Synthetics accounted for around 12% of our total raw materials used.</p>                                 |

2 Kontoor does not directly purchase raw materials but instead works with suppliers to select raw materials for use in our products by third-party manufacturers.

3 We have licensee relationships in many countries and we do not gather specific data on materials, chemicals, energy and water use related to these licensees. We will consider reporting on these impacts in the future.



SUSTAINABILITY STRATEGY AND GOALS CONTINUED

| Product (continued)                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                    |                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Goal                                                                                                                  | Definition and Scope                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2025 Performance                                                                                                                                                                                                                                                                                                                                                                      | 2024 Performance                                                                   | 2023 Performance                                                                                                                                                                                                                          |
| Chemicals                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                    |                                                                                                                                                                                                                                           |
| <b>Achieve and maintain a minimum of 90% ZDHC Manufacturing Restricted Substance List (MRSL) compliant chemicals.</b> | <p>Our chemistry goal relates to both process and product chemistry that reduces or eliminates the use or generation of hazardous substances.</p> <p>Achieving our commitment requires all suppliers to review, sign and accept our Restricted Substances List, which we align with ZDHC MRSL.</p> <p>Scope: This goal covers only Tier 1 vendors and owned facilities that use wet processing (laundries, printing, finishing, etc.) and Tier 2 fabric mills; excludes licensed businesses<sup>3</sup>.</p> | As of December 2025, we reached 90% chemical conformity with ZDHC MRSL.                                                                                                                                                                                                                                                                                                               | As of December 2024, we reached 84% chemical conformity with ZDHC MRSL.            | <p>Due to the dynamic nature of our supply chain and the increased availability of digital chemical management tools, this goal was refined in 2023.</p> <p>As of December 2023, we reached 82.6% chemical conformity with ZDHC MRSL.</p> |
| People                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                    |                                                                                                                                                                                                                                           |
| Goal                                                                                                                  | Definition and Scope                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2025 Performance                                                                                                                                                                                                                                                                                                                                                                      | 2024 Performance                                                                   | 2023 Performance                                                                                                                                                                                                                          |
| Worker well-being                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                    |                                                                                                                                                                                                                                           |
| <b>By 2025, work only with factories that support a worker well-being or community development program.</b>           | <p>Worker well-being and community development programs must support a multidimensional commitment by suppliers.</p> <p>Factories are considered in scope if they meet the following two requirements: (1) they form part of the top 90% of Kontoor’s annual transaction value; and (2) they have had an existing business relationship with Kontoor for more than two years.</p>                                                                                                                            | <p>By December 2025, 100% of in-scope suppliers supported a worker well-being program.</p> <p><b>Set new worker well-being goal:</b><br/>Work only with key factories supporting Kontoor's expanded worker well-being program by 2030, embedded with human rights due diligence<sup>4</sup> and implementing at least three of Kontoor’s seven well-being dimensions<sup>5</sup>.</p> | By December 2024, 92% of in-scope suppliers supported a worker well-being program. | By December 2023, 58% of in-scope suppliers supported a worker well-being program.                                                                                                                                                        |

3 We have licensee relationships in many countries and we do not gather specific data on materials, chemicals, energy and water use related to these licensees. We will consider reporting on these impacts in the future.

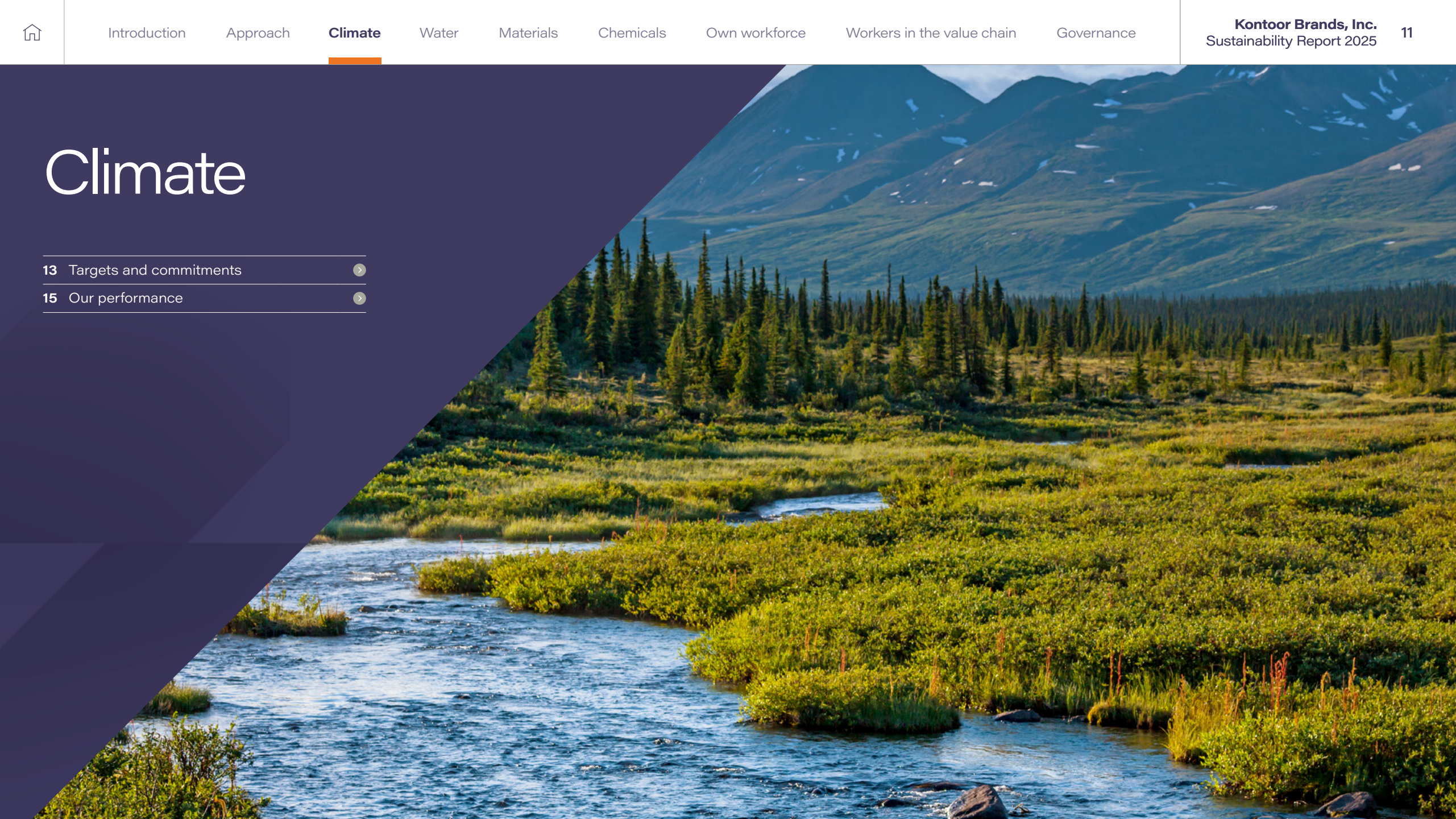
4 Human rights due diligence: Factories must develop a human rights policy statement, complete Kontoor’s four training courses on human rights, and report back to Kontoor on progress.

5 Seven worker well-being dimensions: Physical, Intellectual, Emotional/Mental, Social, Environmental, Financial, and Inclusion and Belonging.



# Climate

- 13 Targets and commitments >
- 15 Our performance >





# CLIMATE CHANGE

We look for opportunities to adapt our materials, processes and technologies to limit our climate impacts, collaborating with suppliers and driving innovation in fabric and yarn manufacturing techniques.

## Climate-related impacts, risks and opportunities

Preparing yarn from fiber requires substantial electricity, while dyeing and washing processes involve heating large quantities of water. Much of the energy used for clothing manufacturing throughout the value chain is generated using fossil fuels. Additionally, as our business expands, our overall GHG emissions may increase.

Changes in the climate will impact our operations. Extreme temperatures may reduce operational efficiency, increase worker absenteeism and increase the cost of temperature management in facilities. Significant weather events – such as storms and droughts – may impact worker health and logistics, delay the supply of materials and finished products, and pose a risk to manufacturing facilities and surrounding communities.

## How we assess climate-related impacts, risks and opportunities

In 2023, we worked with a third-party consulting firm to conduct our first qualitative physical and transition climate risk assessment. We evaluated climate-related risks as short term (one to two years up to 2025), medium term (three to 12 years up to 2035) and long term (12 to 27 years up to 2050). The assessment evaluated risks

across geographies, including the U.S., China, Bangladesh, Mexico and several locations in Europe. It covered locations representing all Kontoor's internal operations – including manufacturing, distribution, corporate and retail. The assessment also included global sourcing partners. In total, 310 Kontoor locations (owned and third-party) were in scope of the analysis.

For each location, we examined the potential impacts of flooding from precipitation events, hurricane/cyclonic events, heat waves, extreme temperatures, extended drought and water stress. Climate scenarios, climate narratives and time horizons were defined, and a qualitative financial impact analysis was performed. This process involved internal stakeholder interviews, a peer review and a review of industry benchmarking to select potential risks and opportunities for assessment.

For more information on our climate-related risks, please see our [2025 Climate-related Financial Disclosures report](#). We plan to update our climate risk assessment to include Helly Hansen in the future.





CLIMATE CHANGE CONTINUED

Targets and commitments

Kontoor’s [Climate Standard](#) Operating Procedure (the "Climate Standard") covers two overarching topics: climate change readiness and emissions. The Climate Standard was approved by the Sustainability Governance Council in January 2025 and is available on the Kontoor website.

The scope of the policy 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 material production, fabric and trim manufacturing, and garments manufacturing and finishing. The Standard does not cover emissions from consumer use of our products. As we update our SBTs to incorporate Helly Hansen, we will also expand the scope of the Climate Standard to include its operations.

To realize the objectives of the Climate Standard, our goal is to reduce emissions year-on-year through a process of continual improvement. SBTi approved our SBTs in September 2023. SBTs are enterprise-wide binding commitments to reduce GHG emissions, overseen by the SBTi which determines how much and how quickly a company needs to reduce GHG emissions to play its part in preventing the worst effects of climate change.

We worked with an external consultant to calculate Kontoor’s baseline carbon footprint and establish a market-based climate target, which aligns Kontoor’s emissions reduction strategy with the Paris Agreement’s 1.5°C target.<sup>1</sup>

Kontoor’s SBTs are to:

- Reduce absolute Scope 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 base year, based on market-based emissions.
- Reduce absolute Scope 3 GHG emissions by 46.2% by 2030 from a 2019 base year, based on market-based emissions.

For our SBTs, Scope 1 and 2 are defined by the GHG Protocol, while Scope 3 covers purchased goods and services, fuel and energy-related activities, and upstream transportation and distribution.

The year 2019 was selected as the baseline year for our SBTs. To ensure consistency with our GHG inventory boundaries, we developed an internal inventory management plan, compiling and documenting a detailed methodology for conducting carbon footprint assessments. As mentioned above, we plan to update our SBTs to include Helly Hansen.



<sup>1</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement>

## CLIMATE CHANGE CONTINUED

### Our approach

To achieve our climate targets and the objectives of our Climate Standard, we have defined a targeted list of actions to reduce GHG emissions. Key action areas include:

- **Renewable energy:** Use electricity from renewable sources and convert natural gas to solar thermal.
- **Improved equipment:** Convert the lighting in our owned manufacturing facilities to LED lighting and improve our conveyor technology.
- **Materials:** Source 100% materials from our Preferred Materials List.
- **Process improvements:** Increase the use of slasher-dyed denim, open-end spinning, cluster manufacturing and ozone garment finishing in our supply chain.
- **Influencing suppliers:** Help convert Tier 1 and Tier 2 suppliers to renewable energy and have at least half of our Tier 1 and Tier 2 suppliers committed to an SBT through SBTi or a science-aligned target through Cascale's Manufacturers Climate Action Plan (MCAP).
- **Circularity:** Increase circularity initiatives including garment and fiber recycling and resale.

### Driving climate action with the Scandinavian textile industry

Helly Hansen is an active member of the Scandinavian Textile Initiative for Climate Action (STICA), a network of textile brands from Norway, Sweden and beyond spanning fashion, workwear, home textile and sports and outdoor sectors. Together, the group shares knowledge, explores circular business models and advances supply chain decarbonization – all while amplifying the voice of responsible Scandinavian textile brands.

In April 2025, STICA came together for an annual in-person meeting in Stockholm, connecting with industry peers who are committed to achieving climate goals and eager to collaborate on meaningful solutions. Helly Hansen also participates in STICA+, a focused group of 16 textile brands tackling broader environmental challenges, like biodiversity, water and waste management.





CLIMATE CHANGE CONTINUED

Our performance

We analyze Scope 1, 2, and 3 energy and emission data annually and evaluate the data against our targets. Primary activity data is usually converted to metric tons (MT) CO<sub>2</sub>e<sup>2</sup> for year-on-year comparison. Please see the methodology section of the Consolidated Performance Databook for further details.

As we prioritize renewable energy, we anticipate that our combined Scope 1 and 2 emissions will be in line with our SBTs.

We have identified key GHG reduction levers that support a pathway to meet our Scope 3 target. This includes identifying priority suppliers, based on production volumes and emissions profiles, and engaging with them to implement interventions.

2 MTCO<sub>2</sub>e is a unit of measurement that compares the climate impact of different GHGs to the impact of carbon dioxide to standardize the effects of GHGs.  
3 <https://cascale.org/tools-programs/manufacturing-climate-action-program/>

The legacy Kontoor FY2023, FY2024 and FY2025 Scope 1 and 2 GHG emissions have been verified by a third party with a limited level of assurance. [Assurance Document](#).

Following the acquisition of Helly Hansen during the reporting year, we anticipate an increase in our GHG emissions to reflect the expanded operations. We are working to consolidate our SBTs and emissions data and will provide an update in our FY2026 Sustainability Report. See our [Consolidated Performance Databook](#) to view the Scope 1 and 2 emissions of Helly Hansen.

In 2025, based on internal tracking

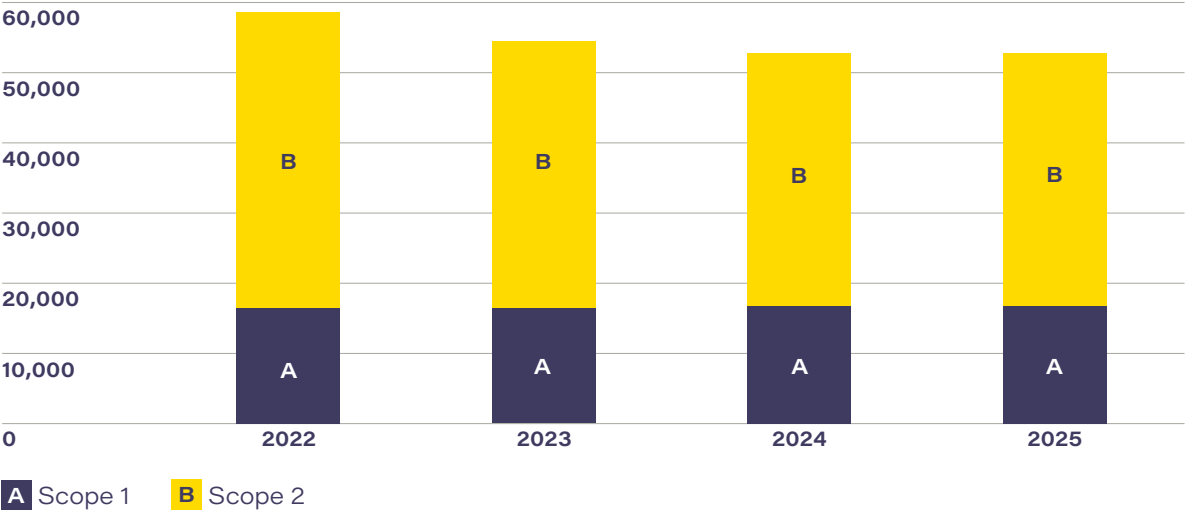
**15%**

of key *Wrangler*<sup>®</sup> and *Lee*<sup>®</sup> suppliers had set a SBT or enrolled in Cascale's MCAP<sup>3</sup>, demonstrating their commitment to measurable emissions reductions.

Scope 1 and 2 Emissions in MTCO<sub>2</sub>e

| Goal    | 2022   | 2023   | 2024   | 2025   | Performance |
|---------|--------|--------|--------|--------|-------------|
| Scope 1 | 16,000 | 16,000 | 17,000 | 17,000 | Flat        |
| Scope 2 | 42,000 | 38,000 | 36,000 | 36,000 | Flat        |

Scope 1 and 2 Emissions Visualization



Kontoor's total footprint for our 2019 baseline was 2,962,650 MTCO<sub>2</sub>e, including the use of sold products, and 1,348,000 MTCO<sub>2</sub>e, excluding the use of sold products. (In 2019, Scope 1 was 5%, Scope 2 was 3%, and Scope 3 was 92% of our total emissions.) Additional Scope 1 and 2 performance is available in [Consolidated Performance Databook](#).



# Water

17 Targets and commitments



# WATER

Water is essential to Kontoor's global operations and the availability of local water resources is critical to our ability to produce garments. We are committed to managing water responsibly and equitably across our operations and throughout the supply chain.

## Our water-related impacts, risks and opportunities

Water is used at every stage of the apparel manufacturing life cycle, including growing cotton, dyeing and washing fabric, and garment laundering. These processes can be water intensive. Apparel dyeing is one of the sector's most polluting processes, making it a key area of focus for reducing our water impacts.

Our facilities and suppliers operate in locations with varying climates and environments, and each interacts differently with the local water system. Excessive water use may exacerbate water scarcity in water-stressed locations.

Industrial water consumption also uses energy and generates carbon emissions. Potential social impacts of excessive water use may include reduced water availability and negative impacts of discharges on the ecological health of water bodies, relied on by local communities.

## Targets and commitments

Kontoor's Water Standard Operating Procedure ( [the "Water Standard"](#)) outlines our material impacts, risks and opportunities related to water use and effluent discharge, reinforcing our commitment to responsible water use across the value chain. The scope of the Standard covers 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. The Standard does not cover water used by consumers during product use or at end of life, nor does it include domestic water used for human consumption or sanitation. While the Water Standard applies to Helly Hansen, its supply chain is comparatively less water intensive than those of *Wrangler*® and *Lee*®.

Our water goal is focused on water use efficiency, responsible discharge and effluent reuse. The goal formalizes work started when Kontoor was established in 2019, expanding our freshwater reduction and verification program by including Tier 1 and Tier 2 suppliers and internal manufacturing, especially in water-stressed regions.

Our focus is on reducing freshwater use across our value chain, with particular attention to water-stressed regions and evolving our approach to be more context-based. Our goal is to save 8 billion liters of fresh water between 2023 and 2030, with a 2018–2019 baseline set for key suppliers in water-stressed regions, and a 2020 baseline set for our internal manufacturing processes. ➤ See page 8 for progress against the goal.

At this time, to track progress against our goal, we measure water conserved at our internal manufacturing facilities and water savings at Tier 2 mills delivered through our Indigood™ program. As the program expands to Tier 1 facilities, we will incorporate those additional savings into our total.

We categorize suppliers by tier, business significance (production volume), water usage (particularly high for Tier 2 mills and Tier 1 suppliers with laundry operations) and geographical location, with consideration of local water stress. Through this classification, we aim to ensure that at least 80% of our business volume is represented within in-scope suppliers, focusing our efforts where resource use and strategic importance are greatest.

## WATER CONTINUED

### Our approach

#### Reducing water use by expanding the Indigood™ Program

Our award-winning<sup>1</sup> Indigood™ program has reduced freshwater use during the textile manufacturing phase of our supply chain. The program takes a holistic approach to freshwater reduction, recycling and conservation in fabric dyeing and finishing. It enables textile mills to continue their operations and maintain the same high standards of fabric performance, while measuring freshwater consumption and incentivizing investment in water-saving technologies.

The Indigood™ program gives suppliers the flexibility to select solutions aligned with their facility needs and future strategy. Some prioritize water efficiency and reducing overall consumption, while others implement water recycling processes. Most suppliers adopt a combination of efficiency and recycling.

Through the Indigood™ program, we challenge Tier 2 suppliers to implement water saving and wastewater recycling technologies to achieve a 90% reduction in freshwater use compared to a 2018–2019 third-party verified baseline. Any supplier that joins the Indigood™ program must commit to this goal, report annual water data and provide mill access to third-party sustainability data auditors.

There are now 32 mills operating within the program, with several moving up a level in 2025:

- **4** mills at Indigood™ Gold level (+90% water savings from baseline)
- **9** at Silver (60–89%)
- **12** at Bronze (30–59%)

The Tier 2 Indigood™ program currently covers more than 80% of our fabric business volume. For Tier 1 suppliers, the program remains in the pilot phase and we have not yet reached 80% coverage of garment business volume. We launched the pilot program with three Tier 1 vendors operating multiple wet processing sites. Supported by a third-party consultant, we are currently in the data-gathering phase to establish a robust baseline for future water savings calculations. Our aim is to set this baseline and begin measuring progress against it by 2026. Once the program is fully operational across Tier 1 wet processing sites, we will expand it to additional key suppliers.

#### Investing in our own facilities

As of 2025, we track freshwater savings at two wet processing complexes and at our development lab in Greensboro, North Carolina. Other offices and distribution centers use only limited water for domestic purposes and present significantly lower water risk and impact than wet processing facilities.

### Delivering impact through wastewater treatment

Our objective is to reduce water use and ensure that the water we do use is returned to communities clean – whether our apparel is made internally or by a supply chain partner.

Internal wastewater treatment technologies allow water to be reused in the wash process, decreasing pressure on local water resources. Our chemical management approach (➤ [see page 27](#)) requires suppliers to test their wastewater and comply with ZDHC guidelines. In 2022, we moved from Business for Social Responsibility (BSR) wastewater testing standards to the stricter ZDHC wastewater guidelines, where available, as outlined in our [Facilities Guidelines](#).

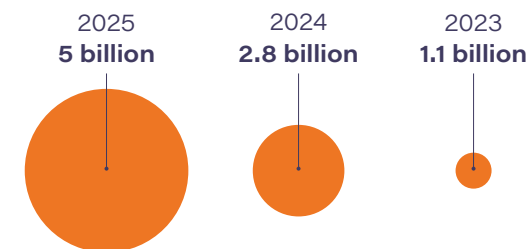
In keeping with industry trends to exceed regulatory requirements, our Facilities Guidelines reflect the higher wastewater discharge standards outlined in our Chemical Management Program (CMP). This requires all facilities that use wet processing to meet the testing parameters of the ZDHC wastewater guidelines in countries where it is available.

We require all suppliers and Kontoor facilities to complete the ZDHC wastewater test, if available, at least once per year through ZDHC-accredited laboratories. While Kontoor sets a minimum requirement, ZDHC program rules drive sampling scope and frequency differences by facility conditions.

Zero Liquid Discharge<sup>2</sup> (ZLD) suppliers are also in scope for ZDHC wastewater testing, and we require them to test treated wastewater before it is reused. For facilities located in countries where ZDHC-nominated testing laboratories are not available, we still accept the BSR wastewater testing standards.

We review wastewater testing results to ensure suppliers' compliance with applicable environmental laws, regulations and industry standard requirements. Any failures must be remedied and retested within two months. Noncompliance adversely impacts a supplier's rating in our Sustainability Scorecard (➤ [see page 40](#)). If the necessary improvements are not made, we may terminate the supplier relationship.

**Wrangler®** and **Lee®** cumulative water savings since 2023 (liters), ➤ [see page 8](#) for progress against the goal.



- <sup>1</sup> In 2023, the Indigood™ program received the following awards: [Edison Award](#), [Edie Award \(finalist\)](#), and [SEAL Award](#).
- <sup>2</sup> ZLD is a wastewater management system that treats industrial effluent to eliminate all liquid waste, enabling maximum water recovery for reuse.



# Materials

- 20 Targets and commitments >
- 21 Preferred Materials >
- 24 Innovation and collaboration >



# MATERIALS

Raw materials are at the heart of our products' sustainability, influencing not only quality and availability but also ethical, social and environmental outcomes throughout the supply chain.

## Our material-related impacts, risks and opportunities

Kontoor does not directly purchase raw materials. Instead, we work with suppliers to select raw materials for use in our products. We are committed to sourcing products and materials from suppliers who share our values on human rights, ethics, environmental responsibility and transparency regarding materials claims.

In 2025, the primary raw material for *Wrangler*® and *Lee*® was cotton. Conventional cotton production can have environmental and social impacts – including soil erosion, chemical pollution caused by pesticides and fertilizers, and consumption and contamination of water resources. Social impacts can include forced labor, child labor and other human rights risks.

Our other raw materials include synthetics, such as polyamide/nylon, polyester and manmade cellulosic fibers. Finding and developing sustainable alternatives to virgin synthetics, which are made entirely of new fibers direct from synthetic processing, is a challenge we must overcome to reduce the impacts of materials and meet consumer demands.

## Targets and commitments

We are committed to sourcing products and materials from suppliers who share our values for human rights, ethics and environmental responsibility, while striving for transparency regarding materials claims.

We have been working towards two targets related to material sourcing and assurance:

- Source<sup>1</sup> 100% Preferred Cotton by 2025
- Source<sup>1</sup> 100% Preferred Synthetics by 2030

In 2025, the Sustainability Governance Council approved a new target to replace our sunseting cotton goal:

- Achieve and maintain 100% cotton sourced<sup>1</sup> from the Preferred Materials List<sup>2</sup> while increasing recycled cotton to a minimum of 7% by 2035.

We have started integrating materials goals with Helly Hansen as part of our broader integration efforts.

➤ See page 9 for our progress toward these targets. All material consumption data is based on our overall global consumption and excludes licensee products, accessories, and collaborations. The data covers shell fabric materials used in products only and therefore excludes components such as fillings, linings, and trims.

1 Kontoor does not directly purchase raw materials but instead works with suppliers to select raw materials for use in our products by third-party manufacturers.

2 Preferred Materials can be found on our [Product page](#).





## MATERIALS CONTINUED

### Preferred Materials

Our Preferred Materials List is a dynamic toolbox for product design and a guide for our Global Procurement Team as they work with suppliers. It provides a foundation for building traceability systems and supplier engagement.

We use the most recent information from external sources and partners to define our Preferred Materials. A garment must be made from at least 70% materials from our Preferred Materials List<sup>3</sup> to be recognized as meeting our material standard. All cotton in the garment must be Preferred Cotton<sup>4</sup>. We update the Preferred Materials List as needed.

Our Preferred Cotton target is aligned with our Climate and Water Standards.

The near achievement of our cotton goal was a highlight of 2025. This was made possible by close collaboration between our Procurement, Product Development, Design, Sustainability and Sourcing Teams and our supply chain partners. We plan to build on this momentum by further increasing the share of Preferred Materials in our products and expanding the overall use of recycled content.

In 2025,

**98%**

of cotton sourced for *Wrangler®* and *Lee®* was Preferred Cotton<sup>4</sup>.

- <sup>3</sup> All materials in our Preferred Materials List have third-party historical data showing that they are better for the environment than the equivalent conventional material in that category. We prioritize recycled polyester over conventional virgin polyester as it reduces reliance on petroleum as a source of raw materials.
- <sup>4</sup> We currently define Preferred Cotton as any one of the following: cotton grown in the U.S., Africa (except Egypt or South Africa) or Australia; recycled cotton from validated post-consumer or post-industrial sources; or cotton certified under organic or regenerative frameworks.





## MATERIALS CONTINUED

### Our approach

Several policies govern how we source our products to effectively manage the impacts of materials. Manufacturing and fabric suppliers must adhere to these policies under our standard Terms of Engagement and Global Compliance Principles, as well as Master Manufacturers' Terms and Conditions. They are shared with new suppliers on commencing business and any updates are also shared with current suppliers.

Our  [Global Responsible Materials Policies](#) outline commitments to responsibly sourcing all materials used in all Kontoor's products. They include the following specific policies, which are outlined in further detail on  **pages 47 and 48:**

-  [Restricted Substance List](#)
-  [Conflict Minerals Policy](#)
-  [Cotton Fiber Sourcing Policy](#)

All prospective new suppliers must agree to our  [Global Compliance Principles](#) and pass an initial factory compliance audit prior to any purchase orders being issued.

### Assessing supplier performance

As of December 2025, Kontoor's Responsible Sourcing program is supported by a global team of 23 full-time employees. They focus on factory compliance audits to identify areas for improvement, Critical Life Safety ( **see page 36**), worker well-being, material traceability and environmental sustainability.

An additional four employees provide management oversight, data analytics and systems support to ensure the efficient day-to-day operations of responsible sourcing. To bolster factory compliance efforts, we engage approved third-party audit firms who conduct factory compliance audits in regions where we do not have an internal presence, or where there is excess workload.

Factory compliance audits of fabric mills cover all 16 principal requirements outlined in the Kontoor Facility Guidelines ( **see page 47**). When an issue is identified, we work with the supplier until remediation has been successfully addressed. The Kontoor Responsible Sourcing Team assists suppliers in addressing non-compliances through a Corrective Action Plan (CAP).

The Responsible Sourcing Team uses a points-based Sustainability Scorecard to rate Kontoor's sourced factories' performance with regard to environmental sustainability, workplace safety, worker well-being, social compliance audits and worker capacity building initiatives. The scorecard is used to determine audit ratings and audit frequency, and to inform our strategic priorities and oversight of supplier performance and programs. Scorecard results help suppliers understand their risk levels and identify areas that need improvement.

### Improving supplier performance

Each year, we work to increase engagement with suppliers to enhance collective understanding and collaboration. We engage with suppliers on:

**Transparency:** Suppliers are encouraged to submit a Higg Facility Environmental Module (FEM)<sup>5</sup> survey to provide an assessment and disclosure of potential negative environmental impacts in the supply chain.

**Minimizing environmental impact:** Suppliers must have policies and procedures in place to minimize environmental impacts with respect to energy, air emissions, water, waste, hazardous materials and other environmental risks.

<sup>5</sup> Higg FEM is a sustainability assessment tool used to measure environmental impact and evaluate performance.





## MATERIALS CONTINUED

**Commitment to improvement:** Suppliers are expected to make improvements in environmental performance and to require the same of their suppliers and sub-contractors. Improvements can include improving/redeveloping recipes and replacing raw materials to improve water, energy and land use.

### Building a transparent supply chain

Supply chain transparency is a core element of how we manage product integrity, continuity, and responsible sourcing. Greater traceability supports informed sourcing decisions, enables collaboration with our suppliers and designers, and helps us deliver on our product and sustainability objectives. We work toward improved traceability, from the farm level for cotton and from the manufacturing level for synthetics through the finished product, consistent with industry best practice and the applicable laws of the jurisdictions in which our suppliers operate.

In 2025, we continued to advance our material traceability program by strengthening system capabilities, supplier engagement, and data governance processes. Building on the pilot launched in late 2024, we expanded the collection and review of chain of custody records and material compliance certificates, while further refining supply chain mapping practices and internal workflows, in line with the



data-handling expectations of the jurisdictions in which the information is generated.

We also evolved our traceability approach by transitioning to a more flexible, internally-configured solution. This solution better supports multi-tier supply chain visibility, alignment with disclosure frameworks, and our Preferred Materials reporting. The new solution supports the effective operation of our traceability program and reinforces our ability to maintain well-documented and responsibly-managed supply chains.

Also in 2025, *Wrangler*® and *Lee*® launched Digital Product Passports in Europe, in accordance with France's Anti-Waste for a Circular Economy (AGEC) Law. The Digital Product Passport is designed to provide

consumers and other stakeholders with product-level information on material composition, country of origin, environmental impacts and end-of-life guidance.

Looking toward 2026, we will continue to strengthen our material traceability program through expanded internal stakeholder and supplier engagement, focusing on consistent data quality and documentation practices. This will include collaborative capacity-building on supply chain visibility and reporting effectiveness, delivered together with our suppliers.

### Working to eradicate forced labor in global supply chains

Forced labor is a global human rights issue. The International Labour Organization (ILO) estimates that millions of people are in situations of forced labor across every region of the world, and risk indicators can be present in any country, sector, or stage of a supply chain. We take this issue seriously wherever our products are made, and we apply the same standards and expectations to all of our suppliers, regardless of geography.

Understanding where our cotton is grown and processed is fundamental to responsible sourcing and product integrity. Because the complex global cotton value chain involves many stakeholders, it can be challenging to follow the origin and flow of cotton through our

supply chain. We work with our suppliers to improve visibility and to support ethical labor practices throughout the cotton value chain.

Kontoor's Cotton Fiber Sourcing Policy (➡ [see page 48](#)) sets out our expectations for suppliers regarding ethical labor practices in the harvesting and processing of cotton used in our products, consistent with our Supplier Code of Conduct, the ILO core conventions, and the applicable labor laws of the jurisdictions in which we operate. We expect suppliers to operate free of any form of compulsory or involuntary labor, in line with these standards.

Where expectations are not met, we engage with the supplier through our established responsible sourcing processes, which prioritize remediation and continuous improvement. Where remediation is not feasible or is unsuccessful, we may, in appropriate cases and consistent with applicable laws, reassess the commercial relationship (➡ [see page 31](#) for how we address human rights outside of raw materials).



## MATERIALS CONTINUED

### Promoting regenerative agriculture

We endorse regenerative and climate resilient agricultural techniques to reduce the carbon, environmental and biodiversity impacts of cotton production. We recognize that farmers cannot be expected to make the transition to regenerative and climate-smart agricultural practices alone. Brands and retailers must support them in learning about the benefits of regenerative agriculture practices and must also share the financial risks of adopting less-carbon-intensive techniques.

We work with partners across the supply chain to educate farmers and mill partners about the benefits and techniques of regenerative agriculture. Since 2019, Kontoor has maintained active membership and participation in Field to Market, supporting its work around climate-smart agriculture and innovative financing for farmers.

### Circularity

Incorporating more recycled fibers into our fabrics and extending the life of garments reduces carbon emissions.

In 2024, our internal Circularity Working Group worked on defining and developing strategies for circularity at Kontoor. We define circular products as those that are produced in accordance with circular principles, crafted from safe and recycled and/or renewable materials and thoughtfully designed with a focus on longevity in use. Circular products serve consumers well for an extended period and can also be repurposed or recycled into new materials or textiles when their primary use is complete.

From that workstream, we expanded our Global Design Standards (🔗 [see page 6](#)) to include Circular Pathways. Because the main fabric of a garment is the place where we can make the biggest impact, to meet our Circular Pathways Standard, at least 95% of a garment should be mono-material (for recyclability), with at least 20% recycled content or be a part of a validated resale or upcycling business model. Incorporating more recycled fibers into our fabrics and extending the life of garments reduces carbon emissions.

### Innovation and collaboration

We are working across the apparel value chain to advance sustainability in raw materials as members of Textile Exchange, Cotton Incorporated and Field to Market, among others. Through our Innovation Team, we continuously explore new solutions for materials and ways to overcome challenges related to availability and scalability.

In 2025, we established internal targets for Circular Pathways, including increasing the use of recycled content in our products and expanding the share of products made of mono-material to improve recyclability. As mixed-material fabrics are harder to recycle with current technology, we include guidance for fabric to contain at least 95% of a single fiber type.





# Chemicals

26 Targets and commitments >

28 Our performance >



# CHEMICALS

Every stage of the apparel manufacturing process involves chemicals that can affect human health and the environment. We are committed to full compliance with all relevant chemical regulations and to advancing responsible and transparent chemicals management throughout our supply chain.

## Our chemicals-related impacts, risks and opportunities

Chemicals play a variety of roles throughout our value chain, from growing cotton to dyeing yarn and washing garments to embedding desirable features and performance into our products. Social impacts are related to how we handle hazardous chemicals, both in relation to our workforce and consumers. Environmental impacts range from water pollution and hazardous waste to carbon emissions.

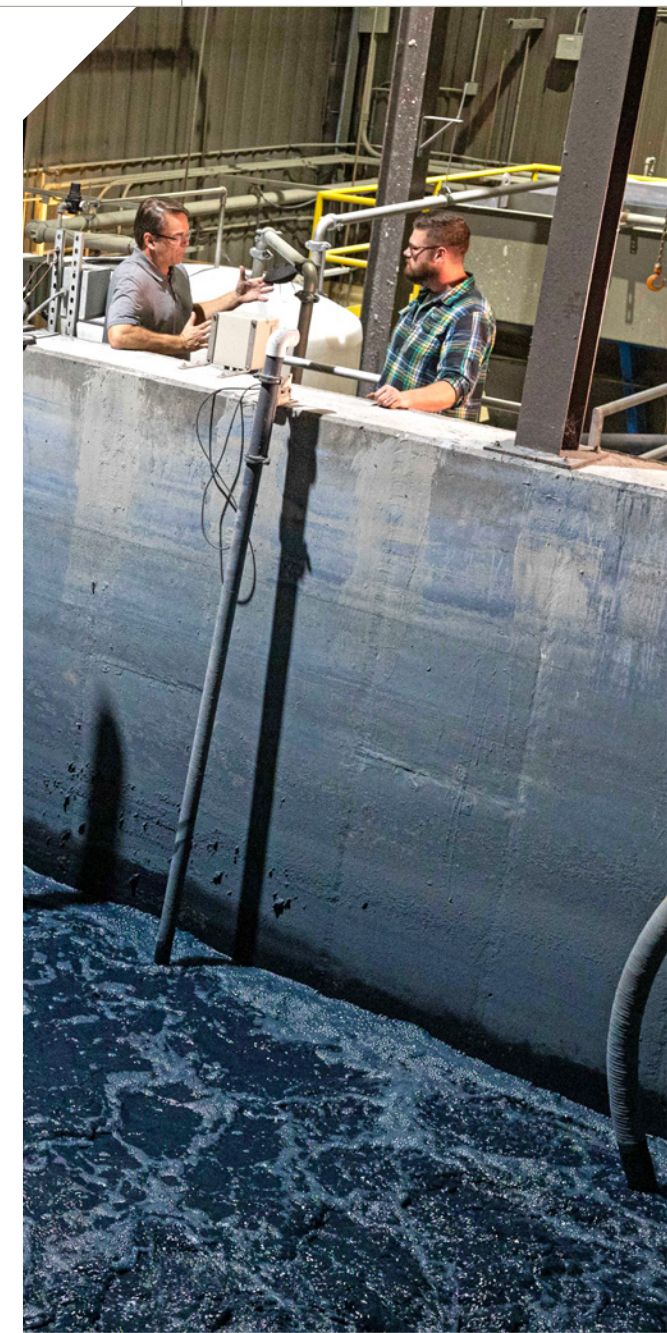
Stringent chemical management is crucial to minimize these risks and impacts. We aim to meet state-of-the-art standards in our use of chemicals through supplier engagement, factory compliance programs and product safety.

## Targets and commitments

Our chemistry target is to achieve and maintain a minimum of 90% ZDHC MRSL compliant chemicals. This voluntary goal is integral to our Chemical Standard Operating Procedure ([the "Chemical Standard"](#)) and relates to both process and product chemistry. The goal relates to air, water and soil pollutants as well as substances of very high concern to reduce or eliminate the use or generation of hazardous substances.

We also aim to increase the availability of digital chemical management tools and continue to redefine our chemistry goal when necessary.

Achieving our Chemical Standard commitments requires suppliers to review, sign and accept our Restricted Substances List. This covers Tier 1 suppliers and owned facilities that use wet processing (laundry, printing and finishing) along with Tier 2 fabric mills and trims suppliers. The target excludes licensed businesses.





## CHEMICALS CONTINUED

### Our approach

#### Developing a robust Chemical Management Program

Our Chemical Management Program (CMP) allows us to gain visibility on the chemicals used in our products and work to ensure safe use and eliminate the discharge of restricted chemicals to the environment. This protects the safety of workers, the environment, consumers and all those who touch our products.

We maintain a Restricted Substances List ( [RSL](#)) that clearly identifies chemical substances that are prohibited or restricted in our products. Raw materials and products failing to comply with our RSL will be rejected.

The RSL requires compliance with applicable laws and regulations, including, but not limited to:

- REACH – EU’s Regulation No. 1907/2006 Concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals
- Biocidal Products Regulation (BPR) – EU Regulation No. 528/2012
- US Biocide Regulation – Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA)
- CPSIA – United States Consumer Product Safety Improvement Act
- POP – EU’s Regulation No. 2019/1021 on Persistent Organic Pollutants

The RSL also bans chemical substances known to be harmful to consumers, workers and/or the environment and that can be used in textile production, but which are yet to be regulated or restricted.

The RSL is an integral part of our quality and manufacturing control programs. It is shared with all vendors, suppliers and others throughout the product supply chain and is publicly available on the Kontoor website.

We require our owned manufacturing facilities, suppliers and business partners to review, agree to and comply with the RSL. Suppliers must implement management processes in their operations to ensure compliance with our RSL, including a verification process. They must also communicate the RSL to their internal teams and raw material suppliers.

Kontoor's  [Facility Guidelines](#) require factories to document all chemicals used in the facility. Factories are subject to RSL audits to evaluate chemical management practices, including chemical use, inventory, storage and disposal, and procedures and equipment related to worker safety.

#### Supplier engagement

The dynamic nature of our supply chain makes it a challenge to achieve our chemistry goal year-on-year. We regularly onboard new suppliers while sunseting others, and we work to maintain continuous communication with all suppliers to identify and help resolve difficulties.

Our CMP requires suppliers to manage their chemical inventories, production and discharge in three modules – Input, Process and Output – using a third-party chemical inventory platform.

Through our partnership with GoBlu International, a ZDHC-approved solution provider owned by Worldly, we use the online chemical management platform – The BHive®. Its purpose is to automate the maintenance, tracking and monitoring of the chemical inventories and RSL conformity. The BHive® allows us to oversee performance in our supply chain at both global and factory-specific levels.

Tier 1 suppliers with wet processing and Tier 2 fabric mills are in scope and the program requires in-scope suppliers to upload and maintain chemical inventories in The BHive® for chemical conformity checks. Uploaded supplier chemical inventories are screened and a performance report is generated showing which chemical products are compliant with ZDHC MRSL and which are not. Any non-compliant chemicals must be replaced by ZDHC MRSL compliant chemicals, where available.

Some vendors and suppliers maintain chemical inventories in local languages, and many products are not yet certified in these local markets. This represents an industry-wide challenge in chemical management. Generally, vendors and suppliers in Asia are more familiar with this chemical management system, while those in the U.S. and Central America are less aware and need further onboarding.



CHEMICALS CONTINUED

Our performance

In early 2025, our Product Stewardship and Supply Teams worked to review our vendor and supplier lists to phase out inactive factories and update in-scope factories into the program. A total of 17 factories were phased out while 55 new factories were added to the program, bringing the total to 207 factories.

We continued to work closely with all in-scope factories, providing refresher training, monitoring updates to chemical inventories and supporting the development of action plans to replace non-compliant chemicals with ZDHC MRSL-compliant alternatives.

Following the acquisition of Helly Hansen, we are reviewing its supply chain and plan to integrate in-scope factories into the program in 2026.

As of December 2025, 96% of in-scope factories had created accounts in The BHive® platform, and, of those, 93% had uploaded their chemical inventories. A total of 12,123 chemical products were uploaded.

Our Product Stewardship Team engages closely with suppliers to guide them in replacing noncompliant chemicals with safer alternatives, while acknowledging that it can take time to find safer alternatives to replace noncompliant chemicals. These actions directly relate to our Chemical Standard, helping us meet our annual goal of 90% ZDHC MRSL compliant chemicals.

In December 2025, we reached 90% of chemicals compliant with ZDHC MRSL, by total chemicals counted.

As of December 2025,

**96%**

of in-scope factories had created accounts in The BHive® platform, and of those, 93% had uploaded their chemical inventories.

This conformance calculation assumes that chemicals are unique across vendors (i.e. unique chemical count). In fact, the chemical count is a combined total of all chemicals reported by each factory and the same chemical product used by different factories is counted multiple times. The calculation does not take production volume or chemical weight into consideration. As a result, it may overrepresent low-volume factories and understate the impact of higher-volume factories. Starting in 2026, our chemical conformance will be calculated and reported based on consumption.





# Own workforce

- 31 Targets and commitments >
- 32 Our approach >
- 33 Health and safety >





# OWN WORKFORCE

As of January 3, 2026, Kontoor had approximately 10,600 employees who worked in its offices, retail stores, distribution centers and manufacturing facilities.

## Our employee-related impacts, risks and opportunities

A key enabler of our strategic growth is cultivating talent and developing a purpose-led, authentic and high-performing culture. Employee engagement allows us to learn from the experiences, passions and perspectives of our workforce. We prioritize an environment where all employees feel valued and able to express their unique selves. Engaged employees are more productive, invested and happier – driving employee retention, motivation and performance.

We are committed to creating an environment of belonging, recognizing that our success is enhanced by a workforce that encompasses a wide range of perspectives, skills and abilities. We make employment decisions based only on merit and without regard to race, color, religion, national origin, sex, age, disability, sexual orientation or any other characteristic protected by law.

We create positive impact for our workforce by investing in strong learning and development opportunities and maintaining high health and safety performance at all locations, including manufacturing and distribution facilities.

Our employee engagement initiatives – supported by a clear focus on culture and well-being – aim to foster a consistently positive corporate identity and strengthen our reputation as an employer and brand. Together, these efforts contribute to higher job satisfaction, stronger retention, and improved productivity.

Our workforce includes employees in manufacturing and distribution roles, where certain job responsibilities carry a higher risk of occupational injuries or illnesses. While the potential impacts of such incidents can be serious, their likelihood is reduced through Kontoor’s proactive approach to risk identification and mitigation. This includes comprehensive health and safety guidelines, training programs, and regular audits to help ensure safe working conditions.

Other risks include unsafe working conditions, legal and reputational issues, employee absenteeism and turnover, and challenges attracting and retaining talent. We have no significant risks related to compulsory labor or child labor within our own workforce thanks to robust policies and proactive measures to prevent such issues at our facilities.

We continuously monitor working hours to ensure compliance with relevant labor laws of each country. Additionally, our attendance policies ensure satisfactory notice of overtime.

Respecting the human rights of our employees is of the utmost importance. We encourage employees to use the proper channels, such as our Open Door Policy and Ethics Helpline, ensuring that their perspectives are heard and enabling people to report concerns related to business conduct and human rights. Ensuring that our employees are comfortable speaking up and raising concerns is essential to sustaining a culture of integrity. We have a strict policy against retaliation toward anyone for making a good-faith report of a potential violation of our Code of Business Conduct, a company policy or the law, or for participating in an investigation.

## OWN WORKFORCE CONTINUED

### Policies

Respect for the law is the foundation of how we operate. Our first requirement is that our owned facilities and our suppliers' factories comply fully with the national laws and regulations of the countries in which they operate.

Building on that foundation, we are committed to respecting internationally recognized human rights. Our human rights due diligence processes are aligned with the UN Guiding Principles on Business and Human Rights, the ILO's core conventions, and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.

We also believe in continuous improvement. Where we identify opportunities to strengthen practices beyond the baseline that law requires, we pursue them in partnership with our suppliers, drawing both on these internationally recognized frameworks and on good practices developed by our teams through day-to-day implementation.

Our owned manufacturing facilities and those of our suppliers adhere to the standards set out in our Code of Business Conduct, Terms of Engagement, Global Compliance Principles and Factory Guidelines, [Human Rights Standard Operating Procedure](#) (the "Human Rights Standard"), and Harassment-Free Work Environment Policy (➔ see pages 47 and 48).

### Targets and commitments

Our primary safety goal is zero injuries across all workforce locations. Achieving this requires a consistent and disciplined approach grounded in safety awareness, strong employee engagement, comprehensive training, clear accountability, regulatory compliance and visible leadership commitment.

Our key priorities include driving continuous, measurable year-on-year improvements in employee participation, safety awareness and training effectiveness. Across our internal facilities, we use key performance indicators (KPIs) to encourage proactive reporting of work-related hazards. This preventive approach strengthens a culture focused on identifying and mitigating risks before incidents occur, supporting progress toward our zero-injury goal.

We implement safety programs tailored to the specific operational environment and workforce profile. In manufacturing and distribution facilities – where acute and potentially severe health and safety risks are more prevalent – we prioritize hazard prevention and robust operational safety controls. In office settings, where risks are generally lower in severity and more chronic, we focus on employee well-being, ergonomics and overall health promotion.



## OWN WORKFORCE CONTINUED

### Our approach

#### Employee engagement

We engage employees through employee surveys, team meetings, global town halls, company intranet, e-mails, our Ethics Helpline, trainings, presentations and one-on-one meetings.

We continue to enhance our processes and systems to better serve our global employees, providing multiple touch points to keep a pulse on how they feel and where they think we can improve.

Our global engagement survey gathers employee feedback on areas such as employee development, manager effectiveness and organizational processes. The survey is conducted every few years across our entire employee population and participation is voluntary and confidential. The survey plays a critical role in creating a culture of open feedback and continuous improvement at Kontoor.

Survey results help us identify ways to optimize the employee experience and foster a high-performance, growth-oriented culture. The results provide leadership with insights into employee perspectives and inform enterprise-wide action plans, strategic initiatives and our Human Resources strategy.

In our most recent engagement activities, employees raised sustainability-related

topics, such as engagement on sustainability goals and programs, health and safety in internal manufacturing and distribution centers, and overall culture and worker well-being. In response, we have introduced more educational opportunities on sustainability, global town halls to discuss strategy and performance, and events focused on health, safety and well-being.

In 2025, we strengthened our people strategy by developing a new performance management system to better align performance with compensation, rolled out new learning opportunities, and initiated an updated global listening strategy, which included selecting a new survey provider to more effectively survey our global employee population.



Additionally, during the third quarter of 2025, Kontoor closed a portion of our manufacturing facilities. This reduction in our manufacturing facilities and diversification in our sourcing footprint is part of our ongoing supply chain transformation.

#### The Kontoor Ethics Helpline

The Kontoor Ethics Helpline is a platform for all employees and other stakeholders to seek guidance, ask questions or raise concerns. It provides all employees and third parties with a secure mechanism for the reporting of unsafe conditions or possible policy, ethical or legal violations.

Available around the clock in every country where we have employees, the platform is managed by an independent third-party provider and may be accessed in multiple languages by phone or online. Reports are received by our Compliance Team and assigned for investigation. The Audit Committee of the Board of Directors receives quarterly reports which provide high-level information on case volume, categories, and outcomes while maintaining the confidentiality of all individuals involved.

We have taken steps to ensure the effectiveness of this platform both internally and with our supplier facilities by publicly sharing how to access the platform on our official website, posting a link and QR code to the Helpline in

our Global Compliance Principles and on facility notice boards, delivering trainings, and through direct engagement with employees or workers. We have addressed confidentiality concerns within the platform and ensured that the system is secure and the data is only accessible to designated people. In addition, we have a strict non-retaliation policy to protect those individuals involved in an investigation.

We actively investigate and take action to address all complaints raised through this platform.

#### Talent management

In 2024, we announced a new corporate function – Talent & Culture – which represents our company-wide commitment to ensuring all employees at Kontoor can participate as their best authentic selves while ensuring holistic alignment in how we engage a resilient and agile workforce.

As part of Kontoor’s Global Career Framework, the Human Resources Compensation Teams have undergone a project to standardize organizational positions globally. This project, which includes adequate wage benchmarking, is ongoing. We plan to set targets and communicate outcomes to internal teams in 2026.



## OWN WORKFORCE CONTINUED

### Health and safety

For Kontoor, safety is more than a priority – it defines who we are and what we stand for. Our safety culture is built around six pillars: awareness, training, accountability, compliance and risk assessment, management support, and employee engagement.

Every Kontoor employee plays a vital role in keeping one another safe. Together, we work to prevent injuries and illnesses, safeguard our environment and create a workplace where everyone feels secure and valued. Guided by dignity, compassion and empathy, we view safety not just as a practice, but as a shared value that unites us.

Our Facility Guidelines set clear requirements for developing and implementing safety programs that align with local, state and federal regulations. They cover a broad range of areas, including occupational health, building, electrical and fire safety. The guidelines also address worker training, safety meetings, accident investigations, injury and illness prevention, risk assessments and comprehensive reviews of job-specific occupational health standards – such as noise, air quality, lighting and ergonomics. To support management oversight, we use an industry-standard management system to monitor and track Environmental Health & Safety (EHS) performance across our locations.

### Developing a strong safety culture

Engagement on health and safety matters is overseen by the Director of Global EHS. Through an Open Door Policy, employees have direct channels to report work-related hazards to supervisors, managers or safety committees. Employees are encouraged to report unsafe acts and conditions, reinforcing shared accountability and strengthening a culture of workplace safety.

Employees are actively involved in and consulted on the development, implementation and evaluation of health and safety management processes through EHS committees. Each manufacturing facility and distribution center has a central safety committee, chaired by the facility director and supported by subcommittees focused on areas such as ergonomics, incident investigations and housekeeping. Committee membership is balanced to ensure diverse perspectives, with at least 50% of members from production roles and 50% from non-production functions.

In regions with union or works council representation, engagement is further strengthened through monthly meetings with employee representatives. This helps to ensure alignment, open dialogue and collaboration on health and safety priorities.

Targeted training is designed to equip employees with the skills to quickly identify and address unsafe conditions, helping prevent injuries and reinforcing a strong and active safety culture.

Because ergonomic issues account for a significant portion of company injuries, we employ ergonomic assessment software to evaluate operational risks using the Rapid Upper Limb Assessment (RULA) and Rapid Entire Body Assessment (REBA) methodologies. Identified risks are systematically addressed to protect employee health and well-being and reduce the likelihood of injury.

### Performance on health and safety

Our safety culture continues to strengthen and consolidate across the organization. Employees are increasingly aware of workplace hazards, while managers and supervisors demonstrate consistent commitment to safety through both their words and actions. By using leading and lagging indicators – such as reporting unsafe conditions, conducting regular safety talks and tracking incident trends – we can effectively measure and continuously improve safety performance.

In 2025, several high-risk situations were identified and corrected, including infrequently performed tasks such as working from elevated platforms to repair conveyors. All manufacturing facilities and distribution centers were audited and corrective actions were completed.

As we continue to integrate Helly Hansen into the Kontoor family, new challenges are likely to arise. We remain committed to maintaining the highest safety standards throughout this transition.



OWN WORKFORCE CONTINUED

Worker well-being

We strive to be a best-in-class employer for worker well-being. Across our internal manufacturing facilities and their communities, we develop and invest in programs that support employee health and overall well-being.

For Kontoor employees, we partner with organizations that share our values to deliver initiatives tailored to local needs – ranging from on-site medical exams and vaccination clinics to physical fitness classes and community team sponsorships.

Our voluntary wellness programs, offered through healthcare providers, include an Employee Assistance Program that provides confidential support for emotional well-being, work-life solutions, legal guidance, financial resources and other online support. Additional initiatives include providing on-site clinics during working hours and vaccination clinics to support employee health.

We provide annual community service opportunities for employees to support schools and youth organizations in their local communities, including school supply packages and employee celebrations.

Our voluntary wellness programs, offered through healthcare providers, include an Employee Assistance Program that provides confidential support for emotional well-being, work-life solutions, legal guidance, financial resources and other online support.



# Workers in the value chain

- 37 Targets and commitments
- 38 Our approach
- 41 Engaging with workers



# WORKERS IN THE VALUE CHAIN

Kontoor's strategy and business models are inextricably linked to the well-being of workers across our value chain. The perspectives and needs of workers directly shape our social compliance program, guiding where we focus capability building and remediation efforts.

## Our workers in the value chain-related impacts, risks and opportunities

The apparel sector is highly labor intensive and employs millions of people worldwide – many of whom are young women in developing countries. In regions where standards and enforcement are weaker, the risk of labor abuses and broader human rights impacts is elevated. To address this, we assess risk by country and facility, giving particular attention to jurisdictions that rely heavily on migrant workers and to migration corridors where fee-charging intermediaries operate, as recruitment fees can lead to indebtedness and constitute a form of forced labor.

We believe workers in our supply chain should earn wages that meet the basic needs of themselves and their families, in line with the local context. We take responsibility for preventing, mitigating and remediating human rights impacts when they occur, using our relationship with suppliers to drive continuous improvement.

Material impacts related to our products, services and business relationships include:

- **Upstream workers:** Workers in Tier 1 production facilities and workers involved in material processing and finishing (Tier 2).
- **Downstream workers:** Workers in logistics, distribution, licensee operations producing under our brands, and retail partners.
- **Vulnerable workers:** Groups at potentially higher risk, as identified through our Responsible Sourcing due diligence (e.g., pregnant workers, migrant workers and persons with disabilities).

We are committed to ensuring that workers' voices and interests are heard and acted on. We work closely with suppliers across the value chain to align corrective actions and investments with worker needs, using multiple engagement channels to surface concerns and track resolution over time.



## WORKERS IN THE VALUE CHAIN CONTINUED

### Setting high standards with our suppliers

Kontoor’s [Terms of Engagement and Global Compliance Principles](#) apply enterprise-wide across all tiers of our value chain. This includes Tier 1 garment manufacturers, Tier 2 fabric mills and Tier 3 yarn mills, where yarn spinning is vertically integrated with downstream fabric and garment production. Standalone yarn mills are excluded from scope.

Our Global Compliance Principles state suppliers must fully comply with applicable laws and regulations and explicitly prohibit forced and child labor, discrimination and harassment. Suppliers are required to uphold safe and inclusive working conditions, fair wages, and respect for workers’ rights, health and safety. Annual supplier training reinforces these requirements across our supply base.

Our [Facility Guidelines](#) set expectations for legal and ethical business practices covering child labor, forced labor, wages and benefits, working hours, health and safety, nondiscrimination and environmental management. They also include provisions for handling grievances, upholding freedom of association and ensuring transparency. Facility-level procedures are communicated through supplier guidance and workshops.

Our [Global Responsible Materials Policy](#) aims to ensure materials and products are sourced in ways that protect workers’ rights and well-being. We require substantiating documentation and, where applicable, third-party certifications to verify claims, enhancing traceability and accountability across our materials supply chains. Relevant certifications include the Global Recycled Standard (GRS), Organic Content Standards (OCS), and Forest Stewardship Council (FSC).

To reduce audit burden while maintaining rigor, Kontoor operates its own Code of Conduct (CoC) audit program and, under defined conditions, accepts selected industry certification programs on alternating cycles. These include the Social and Labor Convergence Program (SLCP), Higg Facility Social and Labor Module (Higg FSLM), SEDEX Members Ethical Trade Audit (SMETA) and the Business Social Compliance Initiative (BSCI). All certifications follow clear validity rules and Kontoor retains the right to audit at any time.

We published Kontoor’s Human Rights Standard in 2025, documenting our commitment to identify, prevent and mitigate adverse human rights impacts across our operations and supply chain. This Standard underpins our due diligence approach and the targets included in our updated Worker Well-Being (WWB) goal.

### Targets and commitments

We achieved our 2025 WWB goal, with 100% of in-scope Tier 1 and Tier 2 factories establishing WWB programs covering two or more of Kontoor’s seven WWB dimensions (Physical, Intellectual, Emotional/Mental, Social, Financial, Environmental, and Inclusion and Belonging). In an independently verified sample of 37 factories, all passed – confirming completion of the goal.

Building on this, our new goal is:

- By 2030, we will work only with key factories that implement three or more WWB dimensions and embed human rights due diligence (HRDD). This requires the completion of four Kontoor human rights trainings and adoption of a factory-level human rights policy statement.

The HRDD elements of the goal translate Kontoor’s policy commitments into consistent, demonstrable practices at facility level. HRDD makes respect for human rights measurable (training completion), visible (a written policy owned by factory leadership) and repeatable (codified procedures and accountability), strengthening prevention alongside audit-based detection.

This is particularly important in the context of the apparel and footwear industry, which employs millions of people worldwide and carries elevated risk of social compliance issues. Equipping management teams and supervisors with standardized training and a clearly defined policy framework materially reduces that risk, strengthens grievance handling and remediation processes, and establishes a clearer basis for external assurance and regulatory alignment.



## WORKERS IN THE VALUE CHAIN CONTINUED

### Our approach

#### Engaging with workers to shape our approach

In 2022, we conducted a baseline needs assessment across Tier 1 and Tier 2 facilities, surveying 16,110 workers and gathering input from factory management. The results established a benchmark for factory worker well-being, identified country-specific priorities and informed the design of tailored programs.

We plan to repeat the assessment in 2026 to complete the longitudinal analysis and evaluate the durability of improvements. The findings will inform the next stage of our WWB goal and supplier capability roadmap.

To make worker voice actionable, we operate a structured, multi-layered engagement and remedy model:

- Direct worker engagement during audits through confidential one-on-one and small group interviews, with translators provided where needed.
- Always-on reporting channels via a 24/7/365 Ethics Helpline (country-specific numbers) and online access at [ethics.kontoorbrands.com](https://ethics.kontoorbrands.com). Additionally, e-mails can be sent directly to our Compliance Team at [ethics@kontoorbrands.com](mailto:ethics@kontoorbrands.com).

- Periodic anonymous surveys to pulse-assess worker sentiment on wages, hours, safety and well-being, with results used to prioritize and inform follow-up engagement with facility management.
- Issue-specific outreach for specific at-risk groups (e.g., migrant workers, dormitory residents).
- Safeguards and non-retaliation policies, ensuring confidentiality is protected in line with applicable laws. We prohibit retaliation, and supplier feedback does not include personally identifiable information without explicit consent.
- Case life cycle management: Cases are logged, triaged, owned (by Ethics/Legal, Responsible Sourcing or regional leads), investigated, addressed via CAPs and closed after verification, with learnings fed back into program design.

We collaborate closely with supplier factories to safeguard workers' safety and well-being, including conducting rigorous follow-ups in cases where wages or other benefits have not been disbursed on time. We also engage with international non-governmental organizations (NGOs) to strengthen oversight and share best practices. Kontoor proactively addresses priority human rights issues such as freedom of association, the prevention of gender-based violence and harassment, and recruitment fee risks in migration corridors.





WORKERS IN THE VALUE CHAIN CONTINUED

Social Compliance Program

Kontoor operates a risk-based Social Compliance Program built on three pillars: our own Code of Conduct audits, select use of industry certification programs (see "Use of recognized certifications" section below) and ongoing stakeholder engagement. We make periodic updates to our Facility Guidelines, ensuring they meet or exceed evolving requirements.

Training and awareness

We deliver practical training to ensure workers, supervisors and factory management are equipped with skills and understanding to meet our expectations on human rights topics, grievance routes and corrective action follow-through. This reinforces the standards embedded in our Terms of Engagement and Global Compliance Principles and facility-level guidance.

How we monitor and remediate

We evaluate supplier performance against our standards through on-site and, where appropriate, desk-based assessments. Audits typically combine document reviews (e.g., wages and working hours, contracts, permits), worker interviews (confidential, with translation where needed) and visual inspection of the workplace to identify, reduce and remedy non-conformances.

Our global Social Compliance Auditing Team conducts audits and documents the views of workers through confidential interviews. In 2025, 90% of Tier 1 supplier facilities and 98% of Tier 2 supplier facilities were audited.

The findings are used to create a Corrective Action Plan (CAP) where needed, with owners and time-bound milestones identified. Corrective Action Plans (CAP) are monitored until closure. Persistent non-conformance triggers escalation and may result in exit from our supplier program, consistent with our enforcement provisions.

Use of recognized certifications

To reduce the audit burden while preserving rigor, Kontoor may accept results from recognized industry certification programs (e.g., SLCP, Higg FSLM, SMETA, BSCI) on alternating cycles for eligible facilities (e.g., "Green" designation) and within defined issuance windows. Kontoor reserves the right to conduct a CoC audit at any time, including where third-party results require verification.

Worker voice and transparency

Worker perspectives are central to our approach. Confidential interviews conducted during audits, together with insights from always-on reporting channels (Ethics Helpline, website and Compliance Team e-mail), inform remediation efforts and program improvements. We disclose confirmed cases, while maintaining anonymity of the parties, and related outcomes in our sustainability reporting and maintain clear enforcement mechanisms, including the cancellation of orders in instances of serious or repeated breaches.

(Ethics Helpline: visit [ethics.kontoorbrands.com](https://ethics.kontoorbrands.com) or e-mail [ethics@kontoorbrands.com](mailto:ethics@kontoorbrands.com)).

Our Responsible Sourcing Team tracks the following worker-voice-related KPIs: number of cases, percentage substantiated, median time-to-close, percentage of CAPs closed on time, percentage of anonymous reports, language coverage and reporter satisfaction (where feedback is provided).

Continuous improvement

Insights from audits and worker reports are translated into targeted supplier coaching, continuous evolution of our WWB program, and structured CLS (Critical Life Safety) follow-ups. This feedback loop strengthens prevention alongside detection and supports facilities in institutionalizing good practices.

Program capacity

To support expanded coverage, supplier coaching and follow-up, we expanded our Social Compliance Team by two members in 2025, enhancing field capacity and audit quality assurance.

## WORKERS IN THE VALUE CHAIN CONTINUED

### Developing supplier capabilities

We continue to strengthen how we communicate evolving expectations to auditors, vendors and suppliers. Engagement channels include targeted workshops, guidance packs and direct coaching, equipping partners to translate policy into day-to-day practice and effective remediation. Recent vendor workshops reinforced our audit acceptance framework, Facility Guidelines updates and data obligations (e.g., Higg FEM/FDM cadence).

Through our Sustainability Scorecard, we rate factories across Social Compliance, CLS, WWB and Environmental dimensions. We use the outcomes to focus follow-up action where it is most needed.

#### Digital capability and e-Learning Academy

Kontoor has developed a comprehensive Responsible Sourcing e-Learning curriculum to scale consistent knowledge across its supplier network. In 2025, we started work on four additional human rights modules, bringing the total course library to 60 courses. We are on track to launch the Responsible Sourcing e-Learning Academy in 2026.

Suppliers will be required to complete role-appropriate modules aligned to the Facility Guidelines, ensuring fundamentals (e.g., working hours, wages, grievance handling, CLS touchpoints) are consistently understood. Suppliers in scope for our social WWB goal will also be required to complete the human rights modules as part of HRDD capacity building. These modules are designed to equip facility leaders and supervisors with a consistent baseline level of capability on risk prevention, remedy and documentation.

A blended approach – comprising scorecards, workshops and coaching, and mandatory e-learning – is designed to improve knowledge and consistency across regions. The aim is to make expectations measurable through course completion and assessments, and to accelerate time-to-effectiveness for new requirements, so that remediation and practice translate into long-term outcomes.





## WORKERS IN THE VALUE CHAIN CONTINUED

### Engaging with workers

Kontoor’s goal is to enable meaningful, ongoing dialogue between workers and management across the supply chain so that concerns are surfaced early and resolved effectively. Workers are able to voice their concerns through confidential audit interviews, anonymous surveys and access to Kontoor’s Ethics Helpline and Compliance Team e-mail. Additional Ethics Helpline details are provided in the “Own Workforce” section.

All routes into the system are governed by strict safeguards. Reports can be made anonymously and we maintain a firm stance on non-retaliation. Each case is logged and triaged, assigned to the appropriate owner (e.g., Ethics/Legal, Responsible Sourcing, or regional leads), investigated and, where required, addressed through a CAP.

Cases related to external facilities are closed only after verification of effective remediation. Lessons learned are fed back into training, guidance and the Sustainability Scorecard so that improvements are institutionalized rather than one-off.

In 2025, we enhanced worker access to and visibility of reporting channels by expanding coverage of the Helpline via web-based dialing, refreshing awareness materials in facilities and improving our feedback process so reporters who provide contact details can

promptly learn when their case has been closed. These measures aim to improve time-to-resolution and help to ensure a respectful, timely and accountable response to every report received.



### Closing the educational loop for factory workers

In 2024, as part of our WWB program, we partnered with suppliers to provide school bags and stationery to the children of factory workers, helping to improve access to education for households. While the initiative was well received, it surfaced an important insight: many parents faced challenges engaging with or reinforcing their children’s learning due to their own limited literacy skills. While the program delivered tangible benefits for children, the primary adult stakeholders were often unable to relate to or participate fully in the educational journey.

This learning informed the evolution of our approach in 2025. We launched an Adult Literacy Program pilot for factory workers, focused on strengthening basic reading, writing and numeracy skills. By investing directly in parents’ capabilities, we aim to empower them and deliver more inclusive benefits.

In 2026, we will continue to build on this pilot, scaling the program to deepen impact and further strengthen the connection between education, dignity and intergenerational empowerment.

### Engagement Highlights

6

facilities

1,500+

workers

3,000+

schoolbags made from repurposed fabric that cannot be recycled

15,000+

pens with built-in seed capsules that can be planted after use



# Sustainability governance

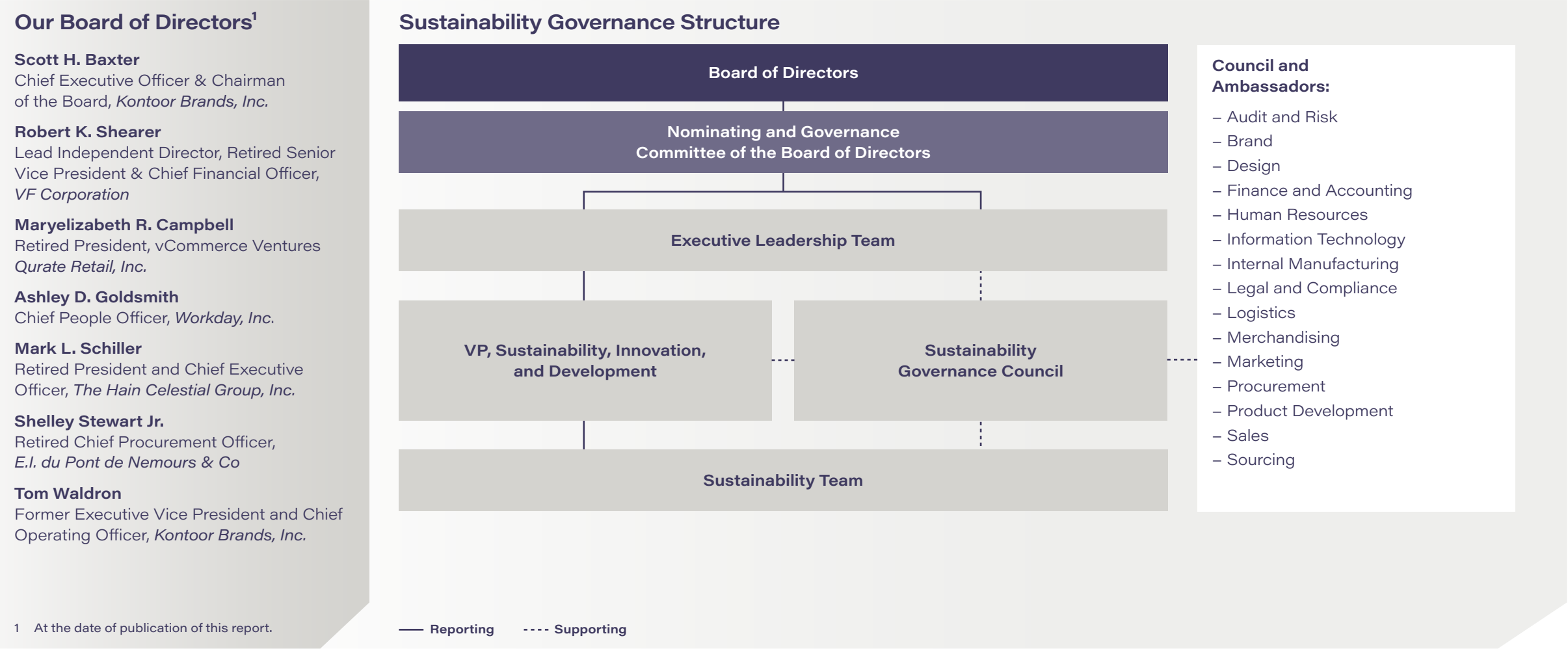
- 43 Sustainability governance structure >
- 47 Policies and standards >





# SUSTAINABILITY GOVERNANCE

Sustainability is an enterprise-wide commitment at Kontoor and is embedded across all levels of the organization. Since the acquisition of Helly Hansen, we have been actively integrating their legacy sustainability efforts into the broader sustainability strategy of Kontoor Brands, ensuring alignment across the entire brand portfolio.





## SUSTAINABILITY GOVERNANCE CONTINUED

The **Board of Directors** represents the interests of shareholders and has the responsibility to oversee and monitor the effectiveness of the management of Kontoor, except with respect to those matters reserved for shareholders. It acts as an advisor and counselor to senior management and ultimately oversees and monitors its performance, ensuring that management is capably executing its responsibilities. The Board operates in line with Kontoor's Corporate Governance principles, which can be found  [here](#).

Among other responsibilities, the **Nominating and Governance Committee of the Board of Directors** oversees Kontoor's significant strategies, programs and policies related to sustainability issues, impacts, risks and opportunities to support the sustainable and responsible growth of the business. It evaluates the effectiveness of the Board structure to achieve strategic goals annually. A full overview of its responsibilities can be found in the Charter of the Nominating and Governance Committee of the Board  [here](#).

Board members offer a diverse range of skills and experience to provide effective oversight of Kontoor and to create long-term sustainable growth through successful execution of strategic initiatives. View Director skills and qualifications in our  [2025 Proxy Statement](#).

The **Executive Leadership Team (ELT)** sets the vision for Kontoor and provides strategic and operational leadership, including, but not limited to, topics related to sustainability and risk management. The ELT considers impacts, risks and opportunities when overseeing Kontoor's strategy and risk management process and making decisions on major transactions.

The **Sustainability Governance Council** provides cross-functional decision-making related to sustainability topics, ensures alignment of the sustainability strategy with business objectives, and oversees progress against sustainability commitments. The Council approves all materials recommended to the ELT and the Board of Directors. Committee members are leaders of Kontoor's different business functions, including Accounting and Finance, Audit and Risk, Information Technology, Legal and Compliance, Marketing and Merchandising, among others. In 2025, two representatives of Helly Hansen became members of the Sustainability Governance Council.

**Sustainability Ambassadors** contribute to the achievement of Kontoor's sustainability objectives through strategies and tactics that include managing data collection and validation processes, facilitating robust disclosure controls, collaborating cross-functionally, and implementing roadmaps towards goals. This Ambassador approach empowers functional leaders and subject matter experts to embed sustainability into their teams' daily work and annual goals. Ambassadors represent functions across Kontoor to ensure an organization-wide understanding of its sustainability priorities and to facilitate collaboration and dialogue to realize specific objectives and goals.

The **Global Sustainability Team** provides expertise and support to the ELT, Sustainability Governance Council, and Sustainability Ambassadors. Led by the Vice President (VP), Sustainability, Innovation and Development, the Sustainability Team partners with internal subject matter experts and external stakeholders to develop context-based and science-based targets for material sustainability topics. Finalized targets are presented to the Sustainability Governance Council for approval prior to publication on our website.

Day-to-day delivery of sustainability, including monitoring, managing and overseeing impacts, risks and opportunities, remains the responsibility of the VP, Sustainability, Innovation, and

Development, who reports to a member of the ELT. In 2025, the Helly Hansen Sustainability Team began to report into the same VP.

At the operational level, the implementation of sustainability strategy for Kontoor and our brands is led by the Global Sustainability Team, which is part of the Sustainability, Innovation, and Global Product Development Team. By reporting into the Product function, the work of the Global Sustainability Team is integrated into the development of Kontoor products. This drives the embedding of sustainability objectives into design and development processes. Sustainability is included in the risk universe that is evaluated annually via the Kontoor Enterprise Risk Management (ERM) risk assessment process and quarterly via the Quarterly ERM Risk Assessments.

The Global Sustainability Team members' expertise includes advanced degrees in sustainability, textiles, and apparel combined with decades of industry experience. This balance aids in the advancement of sustainability and the needs of Kontoor's business.

Our Double Materiality Assessment guides the activities of the Sustainability Team as they ensure relevant groups are equipped with the appropriate skills and expertise to address material topics.



## SUSTAINABILITY GOVERNANCE CONTINUED

Members of the Global Sustainability Team provide training on climate-related and other sustainability-related fundamentals to Kontoor employees, including members of the Nominating and Governance Committee of the Board of Directors and the ELT.

### Sustainability information provided to management

Kontoor’s Sustainability Team works to ensure that the ELT and relevant members of the Board of Directors are updated on relevant sustainability matters.

The Nominating and Governance Committee of the Board of Directors receives relevant updates on sustainability-related matters at least annually, via either written correspondence or in-person or virtual presentations. This includes material impacts, risks and opportunities, the implementation of due diligence, updates to related stakeholder needs, such as investor requirements, customer requirements, and government mandates, and the results and effectiveness of policies, actions, metrics and targets.

The items presented are developed by the Sustainability Team and approved by the Sustainability Governance Council prior to being presented to the Nominating and Governance Committee or the ELT.

### Risk management and internal controls

Kontoor’s ERM risk assessment process identifies, evaluates and manages risk topics, including sustainability and climate risk, in alignment with Kontoor’s business priorities.

Every year, Kontoor undergoes a process to identify and proactively address emerging risks to the business. The ERM risk assessment process surveys our top leaders – including Sustainability Team leaders, ELT members and members of the Board of Directors – to assess the potential impact, likelihood of occurrence, and mitigation effectiveness of each risk and assigns a score accordingly. Additionally, on a quarterly basis, all ERM risks are monitored via the Quarterly ERM Risk Assessment. Any risk rating changes are communicated to the ELT and the Audit Committee of the Board of Directors, along with rationale for the change and potential impacts to Kontoor.

The ERM program helps to identify risks and exposures and assesses management’s risk mitigation strategy. It considers all substantive and strategic impacts on the business according to the risk’s expected impact and likelihood of occurrence.

### Sustainability risk management

Material sustainability-related impacts, risks and opportunities are monitored through many corporate initiatives managed by the Global Sustainability Team, including the Global Design Standards, Indigood™ program and reporting and disclosure processes. The Global Design Standards focus on materials procurement, saving water in fabric development, and assessing the environmental and social impacts of the finishing process. By applying these Standards, Kontoor tackles the largest value chain factors to advance worker well-being, reduce water consumption and chemical use, and lower GHG emissions.

Climate-related matters are reviewed on a case-by-case basis by the Sustainability and Supply Chain Teams, along with other internal and external stakeholders, to understand the level of importance and potential direct, upstream and downstream impacts. This review enables us to understand potential climate-related impacts related to brand reputation, operational disruption, supply availability and cost, consumer awareness, and regulatory activity. The findings are reviewed by the ELT and the Nominating and Governance Committee of the Board of Directors at least annually.



## SUSTAINABILITY GOVERNANCE CONTINUED

### Engaging with our stakeholders

Engaging with stakeholders is essential to Kontoor’s ability to create value over the long term. Understanding the views and interests of stakeholders informs our strategy – from developing lower impact products to building more robust data systems and conducting business with integrity.

We define our stakeholders as the organizations and groups that either impact, or are impacted by, our business and operations. They have a vested interest in how we operate because they are our employees, investors, customers, suppliers, communities, NGOs and others advocating for people and the planet.

We work to establish meaningful relationships with stakeholders to understand their perspectives, identify potential issues, and develop approaches for working effectively together.

#### How we engage with stakeholders

We engage with our key stakeholders using appropriate channels according to their needs. Key methods include one-on-one meetings, expert forums, roundtable discussions, industry coalitions, surveys and inquiries, and formal partnerships. In addition to ongoing engagement, we partner and collaborate with a wide range of stakeholder groups to increase

our reach and positive impact, including consumers, customers, investors, employees, NGOs and supply chain partners.

From our offices to our manufacturing facilities, our success is a direct result of the efforts and engagement of all our employees. Every few years, our employee survey goes to all employees worldwide to ensure their views are included in our strategy and business model. Engagement with internal stakeholders on sustainability-related material topics involves the ELT, Sustainability Governance Council, along with teams from Sustainability, Human Resources, Finance, Legal and Compliance, Product Stewardship, Responsible Sourcing, and others.

Workers in the value chain are a key group of affected stakeholders. We engage with them through our supplier audit processes to gather direct feedback, and we engage with NGOs that act as worker representatives on global sustainability matters.

### Assessing material impacts, risks and opportunities

We rely on the Double Materiality Assessment approach to ensure that our strategy and reporting is grounded in the areas where we have the greatest impact.

We follow the principles of double materiality, where Kontoor’s impacts are prioritized based on the outward impacts of the organization on societal, environmental and economic issues, and the inward impacts of sustainability issues on the organization.

In 2024, we conducted a Double Materiality Assessment to identify and assess our material topics. Following the acquisition of Helly Hansen, we are in the process of updating our materiality assessment to reflect the material change in our business. The following information does not include impacts from Helly Hansen.

#### Double Materiality Assessment process

With the support of an external sustainability consultant, we conducted a detailed assessment in 2024 to identify and assess our material topics in preparation for the EU’s Corporate Sustainability Reporting Directive (CSRD):

##### Identifying topics

In-depth horizon scanning research was used to identify an initial list of potentially material topics for stakeholders to assess impact.

##### Determining impact and influence

External and internal stakeholder interviews and an employee survey were used to determine the inward and outward impact of each topic. Bespoke criteria were used to assess and prioritize topics across a variety of impacts and Kontoor’s ability to influence them.

#### Engaging stakeholders in the materiality assessment process

We engaged with a diverse range of internal and external stakeholders to gain a breadth of perspectives and ensure topics were assessed and considered from different angles across Kontoor’s value chain and operations, representing both affected stakeholders and users of our sustainability reporting.

Stakeholders were selected based on their expertise in the topics, their capacity to evaluate both the inward and outward impacts of those topics, and their ability to offer valuable insights to Kontoor. Our goal was to include representation from essential stakeholder groups.

##### Review and validation of results

Stakeholders’ scores and perspectives were analyzed quantitatively and qualitatively to understand our impacts across key topics and visualized as a matrix.

##### Embedding results

Assessment results were used to inform the structure and content of this report. They also informed components of our strategy to ensure our efforts and programs stay relevant and impactful in a rapidly changing landscape. Along with upcoming mandatory requirements from various global jurisdictions, the results of the assessment will guide our future target setting.



SUSTAINABILITY GOVERNANCE CONTINUED

Policies and standards

We are committed to sourcing and manufacturing products and materials by working with others who share our values for human rights, ethics and environmental sustainability. We constantly update our policies and standards in line with improvements and developments to ensure they remain robust, understandable and effectively implemented. The scopes of the following policies include all brands unless stated otherwise.



Code of Business Conduct

The Kontoor Code of Business Conduct establishes standards, expectations and policies for everyone who conducts business on behalf of Kontoor, including our officers and directors. The Code is designed to ensure we demonstrate leadership and strong values when interacting with each other and with our customers, business partners and communities.



Facility Guidelines

Kontoor's Facility Guidelines underpin the Global Compliance Principles and outline the requirements for all authorized facilities, including those owned by Kontoor and its contractors. The guidelines also include provisions for handling grievances and ensuring transparency in operations.



Global Responsible Materials

This policy outlines our commitment to the responsible sourcing of all materials used in all Kontoor products. Ensuring quality, on-time delivery, worker well-being and providing chain of custody documentation with full traceability for all raw materials is a fundamental requirement of all direct and indirect suppliers. The intent of this policy is to clarify this requirement for all vendors and materials suppliers so that they can achieve these objectives successfully.



Global Compliance Principles

The Kontoor Global Compliance Principles apply to all facilities that produce goods for Kontoor or any of its subsidiaries. Topics covered include legal and ethical business practices, worker safety, forced and child labor, wages and benefits, working hours, women's rights, unauthorized subcontracting, environmental protection and other important issues.



Human Rights Standard

The Kontoor Human Rights Standard covers workers in the value chain and our own workforce. Our Terms of Engagement and Global Compliance Principles explicitly address child labor and forced labor, including indenture, bonded, prison, enslaved, trafficked or other involuntary or compulsory labor.



Climate Standard

The Climate Standard covers climate change readiness and energy and emissions. It outlines actual and potential positive and negative impacts related to these topics, committed action to mitigate such impacts, and how Kontoor intends to track its progress against key performance indicators. We are working to re-baseline our SBTs to include the impacts of Helly Hansen. Therefore, the current scope of the Climate Standard does not include Helly Hansen.



SUSTAINABILITY GOVERNANCE CONTINUED



Chemical Standard

The Chemical Standard addresses chemical use across the supply chain to ensure its operations and value chain comply with relevant global chemical regulations to protect consumer health and safety and promote environmental sustainability. The Chemical Standard addresses chemical use to mitigate negative impacts related to the potential pollution of air, water and soil.



Water Standard

The Water Standard details our objective to reduce freshwater consumption and minimize our environmental impact on communities by controlling effluent discharge (liquid waste or sewage discharge into a river or the sea) at our owned and supplier manufacturing facilities. It incorporates our water goal focused on water use efficiency, responsible discharge and effluent reuse.



Restricted Substance List (RSL)

The Kontoor RSL is designed to uphold our commitment to protect consumers, workers and the environment and to ensure all products adhere to global product safety requirements. We require all Kontoor vendors and material suppliers to certify compliance with the RSL by executing the Supplier RSL Compliance Agreement.



Conflict Minerals Policy

This policy establishes our commitment to implement due diligence procedures, following the Organisation for Economic Co-Operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, to inform the measures we seek to implement in our supply chain regarding trade in conflict minerals. Kontoor’s vendors and material suppliers must ensure that materials and products supplied to Kontoor do not contain minerals originating from conflict zones.



Cotton Fiber Sourcing Policy

This policy establishes our commitment to not knowingly engage in any business transaction or commercial relationship (direct or indirect) with any person, entity, country or territory using forced labor. It establishes supplier requirements to ensure transparent documentation of sourcing and procurement practices, and for suppliers to agree to be audited to ensure adherence. This policy outlines requirements for all cotton – from farming to mill – used in Kontoor products, including trim.



# FORWARD-LOOKING STATEMENTS

We have made statements in this report that are forward-looking statements (a term as defined in the Private Securities Litigation Reform Act of 1995). All statements, other than statements of historical fact, that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “goal,” “target,” “mission,” “strategy,” “potential” or “continue,” the negative of these terms and other comparable terminology.

These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections, forecasts or assumptions of our sustainability commitments, objectives, targets and plans, as well as our progress towards those goals, responsible sourcing of materials and the related responsible sourcing systems and data and the anticipated trends in our business including the ability for us and the industry to achieve circularity.

These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or

implied by the forward-looking statements, including: assumptions not being realized; evolving government regulations; our expansion into new products, services, technologies and geographic regions; scientific or technological developments; evolving sustainability strategies; economic, competitive, technological and public health factors affecting our operations, markets, products, services and prices; or other changes in circumstances; as well as those risks that are summarized in Item 1A. of Kontoor Brands Inc.’s Annual Report on Form 10-K for the year ended January 3, 2026.

Our forward-looking statements are based on our beliefs and assumptions using information available at the time the statements are made. We caution the reader not to place undue reliance on our forward-looking statements as:

- i. these statements are neither a prediction nor a guarantee of future events or circumstances and
- ii. the assumptions, beliefs, expectations and projections about future events may differ materially from actual results. We undertake no obligation to update any forward-looking statement contained in this report as a result of new information or future events or developments.

The standards of measurement and performance contained in this report are developing and based on assumptions, and no assurance can be given that any plan, initiative, projection, goal, commitment, expectation or prospect set forth in this report can or will be achieved. Inclusion of information in this report is not an indication that the subject or information is material to our business or operating results. “Material” for the purposes of this report should not be read as equating to any use of the word in our other reporting or filings with the U.S. Securities and Exchange Commission.

This report may contain, incorporate, or reference public information or other information from third parties not separately reviewed, validated, approved or endorsed by Kontoor Brands, and we make no representation, warranty or undertaking as to the accuracy, reasonableness or completeness of such information.

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For additional information, visit  
[kontoorbrands.com/sustainability](https://kontoorbrands.com/sustainability)

