

# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX 2023



# ABOUT THIS REPORT

**This report addresses the disclosure requirements of the Sustainability Accounting Standards Board (SASB) Index for the Apparel, Accessories and Footwear industry with select disclosures from the additional standards.**

The Sustainability Accounting Standards Board (SASB), now part of the IFRS Foundation, sets standards that help companies disclose relevant sustainability information for investor use. Outlined below are relevant indicators from the Apparel, Accessories & Footwear Standard (version 2023-12), E-commerce Standard (version 2023-12) and Multiline and Speciality Retailers & Distributors Standard (version 2023-12), unless otherwise noted in the table or our website.

Outlined in this report are relevant indicators for calendar year 2023:

**ENERGY & EMISSIONS**

[Read more p2](#)

**MATERIAL SOURCING & ASSURANCE**

[Read more p3](#)

**WATER USE**

[Read more p5](#)

**HEALTH & SAFETY**

[Read more p2](#)

**USE OF CHEMICALS**

[Read more p4](#)

**DATA SECURITY**

[Read more p5](#)

This report supplements the contents of our Sustainability Progress Report 2023, which sets out our commitments and progress towards the continuous improvement of our sustainability practices.

For more information, please contact [sustainability@kontoorbrands.com](mailto:sustainability@kontoorbrands.com) or visit our website [kontoorbrands.com/sustainability](https://kontoorbrands.com/sustainability).



Consolidated Performance Databook 2023



Sustainability Progress Report 2023



Annual Report 2023



# SASB INDEX 2023

## SASB Standards

Apparel, Accessories & Footwear (version 2023-12)

SASB STANDARD	DISCLOSURE	CATEGORY	UNIT	DIRECT ANSWERS
<b>ACTIVITY METRICS</b>				
<b>CG-AA-000.A</b>	Number of (1) Tier 1 (T1) suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	(1) T1 suppliers: 778 (2) Suppliers beyond T1: 111
<b>MATERIAL TOPICS</b>				
<b>ENERGY &amp; EMISSIONS</b>				
<b>ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN</b>				
<b>CG-AA-430a.2</b>	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	Data for 2023 is currently unavailable.
<b>HEALTH &amp; SAFETY</b>				
<b>LABOR CONDITIONS IN THE SUPPLY CHAIN</b>				
<b>CG-AA-430b.1</b>	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage (%)	(1) T1 suppliers audited: 75% (585 out of 778) (2) Suppliers beyond T1 audited: 91% (101 out of 111) (3) Percentage of total audits conducted by a third-party auditor: 6% (44 out of 686)
<b>CG-AA-430b.2</b>	(1) Priority non-conformance rate and (2) associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	Rate	(1) Priority non-conformance rate: 6% (2) Rate of corrective action of priority non-conformance: 93%
<b>CG-AA-430b.3</b>	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	n/a	1. Three greatest labor issues are: <ul style="list-style-type: none"> <li>- Forced labor</li> <li>- Health &amp; Safety</li> <li>- Worker well-being</li> </ul> 2. Three greatest environmental health and safety issues are: <ul style="list-style-type: none"> <li>- Water pollution</li> <li>- Hazardous chemicals used during production and discharge</li> <li>- Environmental degradation</li> </ul>



SASB STANDARD	DISCLOSURE	CATEGORY	UNIT	DIRECT ANSWERS																										
<b>MATERIAL SOURCING &amp; ASSURANCE</b>																														
<b>RAW MATERIALS SOURCING<sup>1</sup></b>																														
<b>CG-AA-440a.3<sup>1</sup></b>	(1) List of priority raw materials <sup>1</sup> ; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities	Discussion and Analysis	n/a	<table border="1"> <thead> <tr> <th>Priority Raw Material</th> <th>Environmental or Social Factors</th> <th>Discussion of Business Risks or Opportunities</th> <th>Management Strategy</th> </tr> </thead> <tbody> <tr> <td>Cotton</td> <td>Cotton's most prominent environmental impacts result from the use of agrochemicals, the consumption of water, and the conversion of habitat to agricultural use.</td> <td>Cotton is our number one material, accounting for 86% of materials sourced for our products in 2023. We rely on the availability of quality cotton, and therefore support Preferred Cotton sources. If our primary material is no longer available or only available in low qualities, it could affect the types of products we are able to offer.</td> <td>Our goal is for 100% of the cotton sourced for our products to be from our Preferred Materials List by 2025. To achieve this goal, we prioritize cotton that is recycled, organic, grown under regenerative farming techniques, or from US, Australia or cotton grown in Africa (excluding Egypt or South Africa).</td> </tr> <tr> <td>Synthetics</td> <td>Synthetic fibers such as polyester and nylon are derived from fossil fuels and may cause issues like microplastics.</td> <td>Synthetics made up about 12% of our total materials sourced for our products in 2023. We use synthetics for strength and performance of our products. Any fossil fuel or microplastic regulation may affect the types of products we are able to offer.</td> <td>We aim for all of the synthetics sourced for our products to be from our Preferred Materials List by 2030. To achieve this goal, we prioritize recycled and bio-based synthetics.</td> </tr> </tbody> </table>	Priority Raw Material	Environmental or Social Factors	Discussion of Business Risks or Opportunities	Management Strategy	Cotton	Cotton's most prominent environmental impacts result from the use of agrochemicals, the consumption of water, and the conversion of habitat to agricultural use.	Cotton is our number one material, accounting for 86% of materials sourced for our products in 2023. We rely on the availability of quality cotton, and therefore support Preferred Cotton sources. If our primary material is no longer available or only available in low qualities, it could affect the types of products we are able to offer.	Our goal is for 100% of the cotton sourced for our products to be from our Preferred Materials List by 2025. To achieve this goal, we prioritize cotton that is recycled, organic, grown under regenerative farming techniques, or from US, Australia or cotton grown in Africa (excluding Egypt or South Africa).	Synthetics	Synthetic fibers such as polyester and nylon are derived from fossil fuels and may cause issues like microplastics.	Synthetics made up about 12% of our total materials sourced for our products in 2023. We use synthetics for strength and performance of our products. Any fossil fuel or microplastic regulation may affect the types of products we are able to offer.	We aim for all of the synthetics sourced for our products to be from our Preferred Materials List by 2030. To achieve this goal, we prioritize recycled and bio-based synthetics.														
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<b>CG-AA-440a.4</b>	(1) Amount of priority raw materials <sup>1</sup> purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	Quantitative	Metric Tonnes (MT)	<p>Conventional cotton: 15,734 MT            Preferred Cotton (US/African/Australian, Better Cotton Initiative (BCI), Regenerative, Organic and Recycled): 48,095 MT            Conventional Synthetics: 6,199 MT            Preferred Synthetics (Recycled and Bio-based): 2,684 MT</p> <table border="1"> <thead> <tr> <th>Priority Raw Material</th> <th>Amount Sourced for Products (Metric Tonnes)</th> <th>Certification/Standard</th> <th>Amount Certified</th> </tr> </thead> <tbody> <tr> <td rowspan="6">Cotton</td> <td rowspan="6">63,829</td> <td>Conventional</td> <td>15,734</td> </tr> <tr> <td>Preferred US/African/Australian</td> <td>43,366</td> </tr> <tr> <td>BCI</td> <td>1,119</td> </tr> <tr> <td>Regenerative</td> <td>220</td> </tr> <tr> <td>Organic</td> <td>53</td> </tr> <tr> <td>Recycled cotton</td> <td>3,337</td> </tr> <tr> <td rowspan="3">Synthetics</td> <td rowspan="3">8,883</td> <td>Conventional</td> <td>6,199</td> </tr> <tr> <td>Recycled synthetics</td> <td>2,457</td> </tr> <tr> <td>Bio-based synthetics</td> <td>227</td> </tr> </tbody> </table>	Priority Raw Material	Amount Sourced for Products (Metric Tonnes)	Certification/Standard	Amount Certified	Cotton	63,829	Conventional	15,734	Preferred US/African/Australian	43,366	BCI	1,119	Regenerative	220	Organic	53	Recycled cotton	3,337	Synthetics	8,883	Conventional	6,199	Recycled synthetics	2,457	Bio-based synthetics	227
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<sup>1</sup> Kontoor Brands does not directly purchase materials for our products, but instead works with suppliers to select raw materials for use in our products by third-party manufacturers.



SASB STANDARD	DISCLOSURE	CATEGORY	UNIT	DIRECT ANSWERS
<b>USE OF CHEMICALS</b>				
<b>MANAGEMENT OF CHEMICALS IN PRODUCTS</b>				
<b>CG-AA-250a.1</b>	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	n/a	<p>Our Chemical Management Program (CMP) plays a critical role and we have launched a new digital platform to ensure compliance across our supply chain. We use advanced chemical screening procedures to monitor the chemicals in our products and ensure they are safe while exploring less hazardous alternatives with our suppliers.</p> <p>Across the lifespan of our products, our Preferred Chemistry approach, which acts as a baseline for our Global Design Standards, plays a critical role in reducing exposure to restricted substances for workers in our supply chain, consumers wearing our garments and for the environment. Our Preferred Chemistry approach uses processes and product chemistry that reduces or eliminates the use or generation of restricted substances and helps mitigate the exposure of consumers, workers and the environment to hazardous chemicals.</p> <p>We closely work alongside other companies in the textile industry to eliminate the use of restricted substances across the industry. Key partnerships include the Apparel and Footwear International RSL Management (AFIRM) Group and the American Apparel and Footwear Association (AAFA). Our Product Stewardship Team is closely engaged and contributes to different taskforce committees of these organizations. For example, we are a member of the Environmental Committee of the AAFA and support work on labeling. We are also a member of the AFIRM RSL Committee and we collaborate with the AFIRM Laboratory Technical Advisory Committee (LabTAC) on the feasibility of changes and what test methods/limits exist to support the changes we are proposing or that are being required by legislation.</p>
<b>CG-AA-250a.2</b>	Discussion of processes to assess and manage risks and/or hazards with chemicals in products	Discussion and Analysis	n/a	<p>In general, our chemical management is a combination of risk- and hazard-based approaches. Depending on substance or material level, it may vary:</p> <ul style="list-style-type: none"> <li>i. For substance level, substances are restricted because of their hazardous properties (hazard-based) where the limits are set based on the exposure level (risk-based).</li> <li>ii. For material/product level, the assessment is risk-based. Kontoor Brands evaluates possible risks (by material type) and conducts testing accordingly.</li> </ul> <p>Our vendors and suppliers are required to comply with our latest RSL (Restricted Substance List). All materials and products are tested by third-party laboratories before shipment to ensure compliance with Kontoor Brands RSL and legal requirements. Random RSL testing of ready-to-ship products and REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals) Substances of Very High Concern (SVHC7) screening of products is also carried out for due diligence purposes. Under EU REACH Regulation, manufacturers or importers of articles have the duty to inform their business customers in the EU if their articles contain Substances of Very High Concern (SVHC) above 0.1% weight by weight (w/w). If we find any restricted substance in a material or product, we will not approve it for shipment. Instead, our Product Stewardship Team will reach out to the vendor or supplier for root cause analysis and put in place a corrective action plan.</p>



SASB STANDARD	DISCLOSURE	CATEGORY	UNIT	DIRECT ANSWERS
<b>WATER USE</b>				
<b>ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN</b>				
<b>CG-AA-430a.1</b>	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Quantitative	Percentage (%)	<p>In 2023, there were 5 incidents of non-compliance out of 151 in-scope suppliers (118 T1 &amp; 33 T2). This represents an overall 96.69% compliance:</p> <p>1. T1 in compliance= 97% (114 of 118 in compliance)            2. T2 in compliance= 97% (32 of 33 in compliance)</p> <p>The scope of this assessment includes all T1 and T2 supplier facilities that generate industrial effluent wastewater. Data excludes Western Hemisphere and Europe suppliers. Wastewater testing was based on Business for Social Responsibility (BSR) standard. Facilities with Zero Liquid Discharge (ZLD) are out of scope.</p>
<b>DATA SECURITY</b>				
<b>IDENTIFYING AND ADDRESSING DATA SECURITY RISKS</b>				
<b>CG-EC-230a.1, CG-MR-203a.1</b>	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	Refer to Annual Report on Form 10-K for the year ended December 30, 2023, Item 1C, 'Cybersecurity'
<b>CG-EC-230a.2, CG-MR-230a.2</b>	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected	Quantitative	Number, Percentage (%)	

