

Responsible Material Sourcing Policy

The APG & Co Responsible Material Sourcing Policy provides guidance for our brands in sourcing responsibly from global fibre and textile producers. APG & Co is committed to the reduction of human rights and environmental risks in our material supply chains, and this document outlines processes and standards that all product teams are expected to follow when engaging with suppliers in order to reduce these risks.

It is the responsibility of our brands to conduct this due diligence, in accordance with our garment suppliers onboarding processes and in collaboration with the Sustainability Manager, to ensure we are always progressing our Responsible Material Sourcing Strategy.

Background and Purpose

As an accompaniment to our Global Sourcing Principles, APG & Co's Responsible Material Sourcing Policy outlines mandatory requirements and preferred suppliers/standards for the sourcing of textile products or raw materials. APG & Co suppliers that are sourcing textile products from any region around the world are required to make all reasonable efforts to fully understand their chain of supply, back to the original place of origin.

Scope

The scope of this policy applies to all textile and leather materials used in APG & Co branded product, including SPORTSCRAFT, SABA, and JAG, and branded products produced for Costco and any other partner. This scope also extends to linings, trims and fillings.

COTTON

Cotton is a challenging fibre to source responsibly and requires strong governance due to the increased risk of labour abuses in its supply chains. APG & Co does not support sourcing of cotton products or raw materials from regions where there is a risk of forced labour and other human rights abuses. This includes the region of Xinjiang in China, where there are multiple human rights issues as highlighted by the International Labour Organisation, and parts of Central Asia, South Asia, South America and Africa, where there have also been allegations of labour abuses in cotton farming.

APG & CO MANDATORY REQUIREMENTS FOR RESPONSIBLE COTTON SOURCING

- Suppliers must ensure they have the following **chain of custody documents** kept on file to ensure material origin can be verified: certificates of origin, sales contracts, and transaction certificates between farm/gin, yarn producer and fabric mill.
- Suppliers producing cotton finished goods in China must be able to readily disclose details of all traders/merchants operating in the chain of custody between raw fibre production and fabric mill. **These entities exhibit the highest risk of prohibited cotton entering the supply chain.** Fabric mills

using yarn traders/merchants located in China must demonstrate a time-based commitment to **cease business with these entities** and move to purchase yarn directly from the yarn manufacturer.

- Suppliers are **banned from sub-contracting** to factories known to be involved in human rights abuses.
- If there are any indications that factories or raw material suppliers involved in the APG & Co supply chain are connected with the use of child labour, forced labour or the labour of the Uyghur people, this **must be reported to APG & Co immediately** upon the supplier becoming aware of the issue, so that remediation processes can be put in place.
- Suppliers understand that in order to verify cotton origins, **random forensic product testing** by third parties can be undertaken at various points in the product chain of custody. Suppliers are expected to fully cooperate with traceability providers when requested.
- APG & Co is committed to responsible purchasing practices to ensure no unreasonable demands are placed on suppliers to source cotton from unknown or high-risk origins due to cost or lead time pressures.

PROHIBITED AND/OR HIGH RISK LOCATIONS/ENTITIES

Sourcing any raw cotton fibre from the following locations and lists of banned entities is **strictly prohibited**:

- Kazakhstan
- Kyrgyz Republic
- Tajikistan
- Turkmenistan
- Uzbekistan
- Xinjiang Province
- [UFLPA Entity List | Homeland Security \(dhs.gov\)](#)
- [List of Banned Organizations - Textile Exchange](#)

PREFERRED COTTON PROGRAMS

Presently, there is not enough data to substantiate claims that globally, one type of cotton is more sustainable than another. There are however a diversity of regional cotton programs that set strict standards for environmental and social welfare, improving the visibility and conditions under which cotton is produced.

When sourcing cotton products, brands should request suppliers source cotton from one of the following programs, standards or certifications:

Global	Better Cotton Fairtrade Textile Standard Global Organic Textile Standard (GOTS) RegenAgri Regenerative Organic Certified
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Oceania	Good Earth Cotton / FibreTrace Cotton Australia / myBMP
Africa	bioRe® Sustainable Cotton Standard Cotton Made in Africa (CmiA) Smallholder Cotton Standard (SCS) Sub-Saharan Cotton Initiative
Europe	EUROCERT / ISCC Plus
North America	Cotton grown to the requirements of BASF e3 US Cotton Trust Protocol
South America	Responsible Brazilian Cotton (ABRAPA) REEL Cotton (Cotton Connect)
South Asia	bioRe® Sustainable Cotton Standard REEL Cotton (Cotton Connect) The Sourcery

Increased due diligence must be exercised when sourcing from Argentina, Azerbaijan, Benin, Brazil, Burkina Faso, China, Egypt, India, Pakistan, Turkey and Zambia, due to higher risk of labour abuses.

FLAX-BASED FIBRES

While we classify conventional linen as a responsible material because its growing and cultivation is generally lower impact than cotton (as a comparable plant-based cellulosic fibre), its processing can also come with negative impacts such as heavy chemical use in raw fibre processing, use of pesticides and herbicides, lack of water or soil management systems and lack of oversight into labour practices.

EUROPEAN FLAX CERTIFIED LINEN

As part of our Responsible Materials Sourcing Strategy, we are prioritising the use of European Flax Certified Linen, which provides an extra level of traceability and environmental standards for linen production. The certification stipulates:

- Traceability is verified through audits
- ILO labour standards
- Non-GMO seeds
- Grown only in the 'Flax Belt' (Belgium, France, Netherlands)
- Low to zero irrigation used
- Fibre mechanically retted
- Soil management

WOOL AND ANIMAL HAIR

We have previously classified wool as a preferred natural fibre as it is inherently degradable and durable. However, conventional wool comes with its own set of risks:

- Sheep are likely to be mulesed and there is no animal welfare oversight
- No standards for chemicals management in wool production
- No soil management consideration

As part of our Sourcing Strategy, we intend to increase visibility throughout the wool supply chain to reduce environmental, social and animal welfare risks. We plan to transition all our wool and animal hair products to:

- Responsible Wool Standard (RWS)
- Good Cashmere Standard (GCS)
- Responsible Mohair Standard (RMS)
- Responsible Alpaca Standard (RAS)
- Certified non-mulesed (testing report or other document evidence must be produced)

MAN-MADE CELLULOSICS

Man-made cellulosics, or regenerated cellulosic fibres, are derived from plant-based cellulose which is chemically altered to separate the pure cellulose from the rest of the plant material. The key difference between conventional MMCs (unbranded viscose, rayon, acetate, cupro, lyocell, modal) and MMCs that are LENZING trademarked or certified responsibly produced are the solvents used to break down the wood pulp, the method of chemical disposal, and the visibility over the wood sourced.

Conventional MMCs can use corrosive solvents, and the wood sourced to produce these fibres is more likely to be taken from endangered forests. LENZING trademarked MMCs and those of similar chemical companies use organic and 99% recyclable solvents and have full visibility over the origin of their feedstock.

To ensure we are using the most responsible MMCs on the market, we are transitioning to trademarked or certified MMCs including:

- Lenzing branded MMCs (TENCEL™, ECOVERO™, REFIBRA™)
- Naia™ Renew
- FSC Certified viscose
- Other responsible MMCs from companies that score 30+ on [Hot Buttons](#) report

SYNTHETICS

Polyester and other manufactured synthetic fibres such as nylon, acrylic, polyamide, polyurethane (PU) and elastane are derived from petroleum. We are working towards phasing out virgin synthetic materials. Recycled

synthetics are our preferred option. Our intension is to limit the use of synthetics for garment performance or durability reasons. Recycled standards we accept are:

- Global Recycling Standard (GRS) Polyester, Nylon and Acrylic
- EcoNyl

LEATHER

The environmental impacts of leather production extend across supply chains. It is tied to deforestation, it is water-intensive, and the majority of leather is still tanned with carcinogenic chromium and often formaldehyde and arsenic. Leather production also has highly unregulated animal welfare laws and is at very high risk of illegal labour practices. We are transitioning to using responsible leather, and our preferred leather and leather alternatives certifications include:

- Leather Working Group (LWG) Leather
- Real Grade Leather
- Forest Stewardship Council (FSC) Certified Rubber (as polyurethane alternative)
- Global Recycling Standard (GRS) Rubber (as polyurethane alternative)

SILK

Silk is used minimally in our ranges, and unfortunately it comes with no strong social or environmental standards to provide accountability or visibility. That does not mean however that it is a poor fibre choice – sericulture in some regions of Asia provides stable income to poor or marginalised rural communities. Largescale industrial silk production can however be very labour-intensive and pose harm to biodiversity and the environment through the degumming, fibre processing or dyeing stages.

Silk makes up a small percentage of our fibre mix, and we are learning more about it to plan a pathway to sourcing preferred responsible silk fibre. Below are some certifications we are looking into:

- Bluesign certification
- OEKO-TEX 100 certification
- GOTS certification
- Fair trade certification
- Unbleached or 100% naturally dyed
- SA8000 or similar social welfare certification
- Eri ('peace') silk
- Tussah (wild) silk