

kowtow

2025 KOWTOW DUE DILIGENCE POLICY

KOWTOW CLOTHING LIMITED

P.O. Box 27530, Wellington 6141, New Zealand +64 (0)4 916 5325

info@kowitzclothing.com www.kowitzclothing.com

Kowitz Clothing Ltd. is committed to being an ethical and socially responsible business. As a Fairtrade and Organic Cotton apparel brand manufacturing in India, we recognise that due diligence is essential in maintaining high standards of integrity, respect for human rights, and environmental sustainability. This Due Diligence Policy outlines the procedures and principles that guide our efforts to identify, prevent, and mitigate potential risks associated with our business activities.

The scope of this policy applies to all employees, contractors, suppliers, and business partners of Kowitz Clothing Ltd. involved in the procurement, manufacturing, and distribution of our products.

OBJECTIVES

- To ensure compliance with all applicable laws, regulations, and industry standards related to labour practices, human rights, environmental protection, and business ethics, including alignment with GOTS requirements.
- To identify and assess potential risks within our supply chain and operations, including but not limited to: child labour, forced labour, discrimination, sexual harassment and abuse, irregular migrant worker practices, corruption, environmental pollution, hazardous chemicals, and plastics and microfiber release.
- To implement appropriate measures to prevent and address identified risks, including establishing robust due diligence processes, monitoring grievance mechanisms, and remediation procedures.
- To promote transparency, traceability, and accountability throughout our supply chain and business operations.

DUE DILIGENCE PROCESS

Supply Chain Mapping

- Conduct a comprehensive assessment of our supply chain to identify all tiers of suppliers, subcontractors, and other relevant stakeholders.
- Prioritise high-risk areas and suppliers based on factors such as geographic location, nature of operations, and previous audit findings.
- Investigate leveraging technology, such as blockchain or data analytics, for real-time monitoring and improved traceability.

Risk Assessment

- Assess potential risks associated with labour practices, human rights, environmental impact, and business ethics within our supply chain and operations.
- Utilise risk assessment tools, independent audits, and other relevant methods to evaluate suppliers' compliance with GOTS standards, OECD guidance, and applicable regulations.

Supplier Engagement:

- Communicate our expectations regarding ethical conduct, labour standards, environmental performance, and business integrity to all suppliers.
- Provide training and capacity-building support to suppliers to help them improve compliance, sustainability practices, and adoption of circular economy principles.
- Collaborate with suppliers to align with GOTS 4.2.1.1 (preventative, dynamic, and risk-based due diligence).

Monitoring and Evaluation

- Implement regular monitoring mechanisms to track suppliers' compliance with agreed-upon standards and requirements.
- Conduct periodic visits and assessments to verify adherence to ethical, environmental, and social criteria, with explicit reference to GOTS standards.
- Include third-party certifications and independent bi-annual audits as additional verification layers.

Remediation and Improvement

- Establish procedures for addressing non-compliance issues identified through monitoring activities.
- Work collaboratively with suppliers to develop corrective action plans and support implementation of remedial measures.
- Participate in or cooperate with legitimate remedy processes regarding grievances, aligning with GOTS 4.2.1.12 and UNGPs.

Reporting and Transparency

- Maintain accurate records of due diligence activities: including risk assessments, audits, and remediation efforts.
- Align reporting with international frameworks such as GRI Standards through our Impact Report.
- Provide transparent and timely reporting on our progress in addressing supply chain risks, reducing GHG emissions, and achieving specific and measurable sustainability objectives.
- Encourage open communication and feedback from stakeholders, including employees, suppliers, customers, and community members.

Compliance and Accountability

- Ensure that all employees, contractors, and business partners are aware of their responsibilities under our Code of Conduct.
- Hold individuals and suppliers accountable for their actions and decisions that impact compliance with ethical, environmental, and social standards.

Continuous Improvement

- Regularly review and update this Due Diligence Policy to reflect changes in laws, regulations, industry standards, and best practices, including emerging regulations like the EU Corporate Sustainability Due Diligence Directive.
- Seek feedback from stakeholders and incorporate learnings to enhance our due diligence efforts.
- Pilot innovative sustainability initiatives, such as plastic-free and circularity initiatives, to address emerging environmental challenges.

Stakeholder Engagement

- Actively consult and collaborate with internal and external stakeholders, including employees, suppliers, and industry associations, to validate the policy's inclusivity and impact.
- Ensure grievance mechanisms are accessible, equitable, transparent, and compliant with GOTS 4.2.1.11 and UNGPs.
- Incorporate worker voice mechanisms, such as anonymous reporting systems, to address workplace concerns effectively.

Kowlow Clothing Ltd and its owned entities is committed to upholding the highest standards of ethical conduct, sustainability, and social responsibility throughout our supply chain and business operations. Through the implementation of this Due Diligence Policy, we aim to mitigate risks, promote transparency, and contribute to positive social and environmental outcomes in the communities in which we operate.