

2022



Impact



Report



kowtow

Kia ora and welcome to our first ever Impact Report. Since Kowtow's inception, we have consistently prioritised the impact we have on people and our shared environment. We are very proud of our progress and the business we have built, but acknowledge that we have not formally reported our efforts until now. As we have seen more and more businesses of all shapes and sizes report their impacts, we realised it was time we did the same.



2022 was a busy year for Kowtow, a key highlight being the launch of our very first Sustainability Strategy. This strategy is the pillar and backbone of Kowtow, driving all business and design decisions. It has been amazing to get our thoughts down on paper in an ordered way, with clear deadlines, and all aligned with the United Nations Sustainable Development Goals (SDGs).

With the recent extreme weather events hitting our local shores, the global climate crisis really feels as though we are at a pivotal point. The need to speed up and scale our solutions could not be more urgent. As designers we take full responsibility for how our clothing is made, who makes it, and its entire life-cycle. But we can't do it alone. We need the fashion industry to do the same, we need governments to invest in infrastructure, and we need customers to take responsibility for what they purchase, how they care for their clothes and what they do with their clothes once no longer wanted.

With the global fashion industry having significant impact on both people and the natural world, we believe transparency is key to the solution and have mapped our supply chain partners and the material management of our clothing in this report. From our first range of t-shirts, Kowtow has only used 100% certified Fairtrade organic cotton but over the years we added other materials into our collection, such as ZQ merino wool, regenerated nylon and Lenzig tencel, which complicated our supply chain. From 2021 we returned to only using Fairtrade organic cotton for all styles so we could be clear and confident in our transparency. We are singular natural fibre experts and believe this focus is our strength, still allowing us to provide a full offering.

We have always used fashion as a vehicle for change and as industry leaders recognise that shared knowledge and collective action is the key to creating a better future for all.

Thank you, without your support we wouldn't be here, and we are so grateful for this challenging and inspiring job which allows us to work on creating clothing solutions that are better for people and the planet. We hope this report provides readers with a full sense of what Kowtow is about, the impacts we have, and our plans for the future.

Gosia Piatek — Founder
Emma Wallace — Managing Director

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Kowtow



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About this report

For this report Kowtow Clothing Ltd has reported in accordance with the GRI Standards for the period 1st April 2021 - 31st March 2022, and covers the entire global operations of our business.



Any information we have included that is outside this reporting period has been clearly stated. We intend to produce an impact report like this every two years. The GRI Standards are globally recognised as one of, if not the, best sustainability reporting frameworks (aka non-financial reporting). They have a set of principles we must follow, and disclosures we must answer. By using this reporting framework our report can be compared to others, and provides the report with a high level of robustness and integrity.

Although this report has not been externally assured we worked with sustainability professionals, Go Well Consulting, to help us navigate the GRI reporting framework and construct this report.

Being our first report we are hugely interested in your feedback, and any questions or ideas you may have for us. Please feel free to reach out with any correspondence to our Managing Director, Emma Wallace - emma@kowitzclothing.com

About Kowtow

Kowtow was founded in 2006 as a single entity Aotearoa New Zealand Limited Liability company (Ltd) in private ownership of Founder, Gosia Piatek.

Gosia believes that clothing is a vessel for a much bigger concept towards a healthier planet and a fairer world. Determined to create a positive environmental contribution, Kowtow works with nature, designing our clothing for a circular system, supporting sustainability and innovation.

From our head office and studio in Te Whanganui-a-Tara / Wellington, Aotearoa New Zealand, Kowtow designs 100% certified Fairtrade organic cotton clothing for a global community. Collections are available through our online stores alongside 'bricks and mortar' Kowtow Aotearoa New Zealand retail stores in Te Whanganui-a-Tara / Wellington and Tāmaki Makaurau / Auckland and wholesale stockists in Aotearoa New Zealand, Australia, USA, Europe, and the UK.

The tables on this page show the makeup of our team via region and gender as of March 2022. At that time we also had 2 contract workers. One a fit model and the other a copywriter. Both have individual employment agreements with Kowtow. We regard anyone employed to work over 32 hours a week as a fulltime employee (FTE).

Team makeup

By gender*

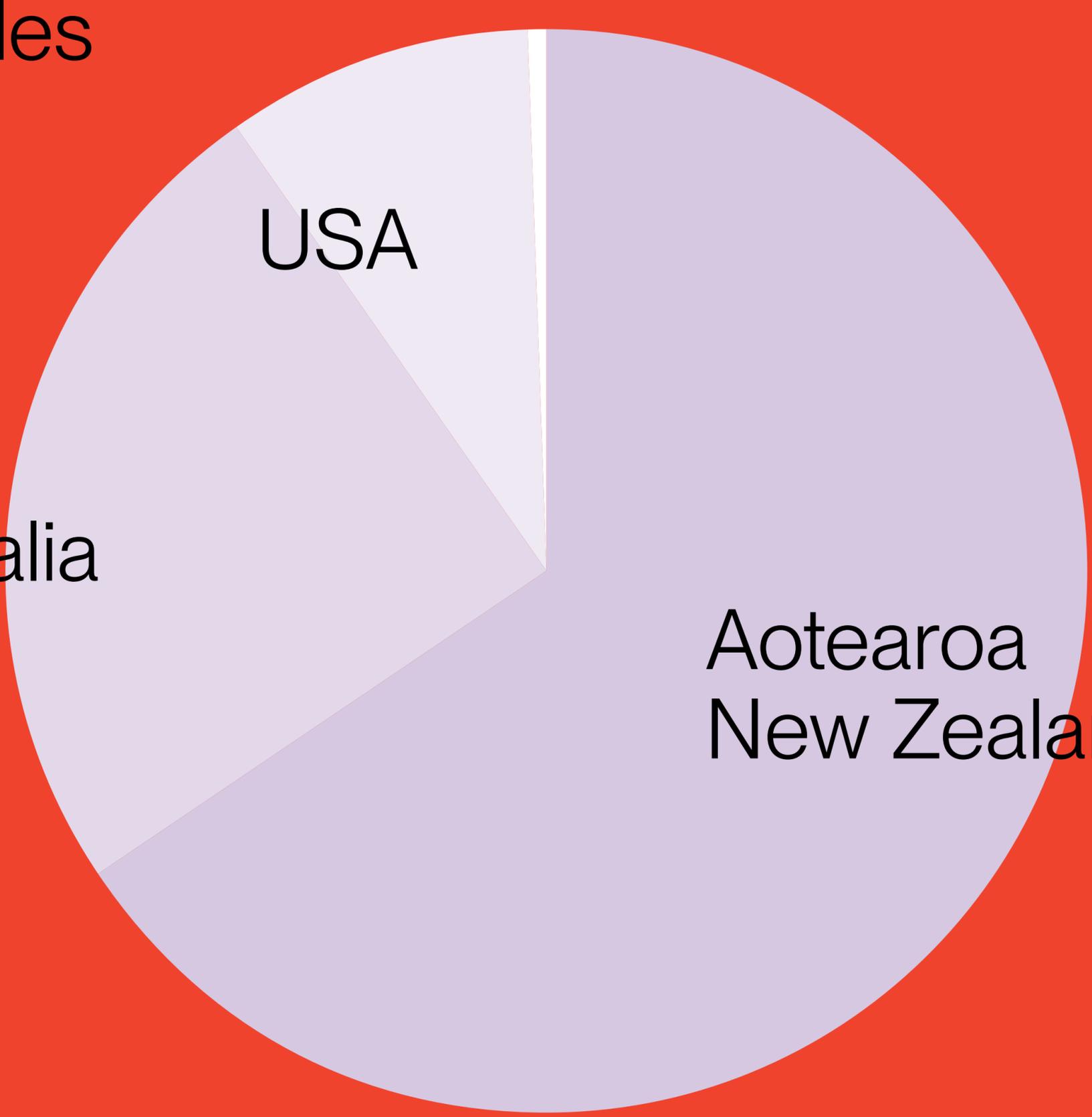
No. of	Female	Male	Total
Employees	39	1	40
Permanent employees	35	1	36
Temporary employees	2	0	2
Non-guaranteed hours employees	2	0	2
Full-time employees	27	1	28
Part-time employees	10	0	10

*We are an equal opportunity employer and welcome diversity in our workforce, including non-binary individuals. Currently, we do not have any non-binary employees on our team.

By region

No. of	Te Whanganui-a-Tara Wellington	Tāmaki Makaurau Auckland	Total
Employees	33	7	40
Permanent employees	33	5	38
Temporary employees	0	2	2
Non-guaranteed hours employees	1	1	2
Full-time employees	25	3	28
Part-time employees	6	4	10

Our Global Sales by Market



● Aotearoa New Zealand	61%
● Australia	23%
● USA	8.5%
● Europe / UK	0.5%

- Industry context

The fashion industry is now valued at more than 2.5 trillion US dollars and employs over 75 million people worldwide.¹



1. <https://unece.org/forestry/press/un-alliance-aims-put-fashion-path-sustainability>

Sustainable Development Strategy and Policy



Kowtow is a seed to garment brand committed to creating positive change. Our decision making is centred around circular design and ethical manufacturing. We are committed to using only 100% organic cotton - a single, natural fibre - for all our collections. Grown by Fairtrade certified farmers, made into garments using GOTS (Global Organic Textile Standard – CU1162747) approved processes, dyes, and inks within a FLO (Fairtrade Labelling Organisation) certified supply chain in India.

For 16 years, Kowtow has kept to this commitment, however, with the spotlight on sustainability and the prevalence of ‘greenwashing’ in the fashion industry we wanted to ensure our commitment had clarity and could be shared widely with integrity. So in early 2022 after engaging our community, employees, peers and customers we created a [Sustainability Strategy](#) that sets out our goals and targets relating to our impacts on the economy, environment, and people for the next three years, and aims to support the [United Nations Sustainable Development Goals](#).

As is demonstrated by producing this first Impact Report we are committed to keeping our community informed of our impacts and will provide progress reports on our strategy and a biennial GRI Impact Report.

At Kowtow we have a range of policies relating to responsible business conduct and our commitment to respect human rights. Our Managing Director is accountable for the implementation of these with support from the senior leadership team. Our Policies include: Supplier Code of Conduct, Code of Conduct, Discipline & Termination Policy, EEO & Anti-Discrimination Policy, Grievance Handling Policy, Workplace Anti-Bullying & Anti-Harassment Policy, Environmental Policy Document.

Over the years we have built up strong and lasting relationships with our suppliers and all partners along our certified Fairtrade supply chain. We rely on these relationships to help us identify any negative impacts and are wholly committed to remedying any that we have caused. In addition, our Supplier Code of Conduct requires our suppliers to provide their employees with the opportunity to inform them of any grievances or concerns they experience with our business conduct.

Internally, we have weekly Senior Leadership Team meetings, monthly whole team meetings as well as regular one-on-one meetings between staff and their managers. Our team is encouraged to raise any concerns they may have relating to our business conduct at any time and /or during these meetings.

We are

- supportive
- communicative
- ethical
- adaptable
- accountable

Working at Kowtow

When Gosia started Kowtow 16 years ago it was at a time that the fashion industry expected excessive working hours and didn't value a work-life balance. Globally, the fashion industry can be exploitative and Gosia wanted Kowtow to be different.



At Kowtow, having a life outside work has always been supported and we have a strong culture of ensuring we can fit our work into a 40 hour week. We have embraced flexibility of work location, offer birthday leave, and provide our team with volunteer opportunities. Over the past year, we surveyed all our employees, asking them what they saw as an added 'incentive' to improve their employee experience, and the prevailing sentiment was more time for their hobbies, health, wellbeing and family. This year we investigated a shorter working week on full pay, and have initiated a 9-day working fortnight for a 6 month trial period from August 2022.



All employees wages are determined by the Founder and Managing Director in negotiation with the employee at the time of hire with annual performance and pay reviews. No Kowtow employee is paid less than the Aotearoa New Zealand living wage.

Over this reporting period Covid impacts have been the major critical concern on our supply chain capacity, freight channels, delivery time frames and cost. As with so many businesses Kowtow has had to be agile in our planning, creative in problem solving and quick to adapt to mitigate the impact for our customer. We are hugely thankful for the understanding and patience of our customers who have continued to support us and seen us grow over this period. Thank you!!!

Although we do not take any specific measures to advance the collective knowledge, skills, and experience of our advisory board on sustainable development, Kowtow has been learning and leading in the development of sustainable fashion since its inception in 2006. This has been driven by Gosia's personal passion and commitment to creating a company that values transparency, knowing where our raw materials come from, and can track the production and manufacturing of our products through a certified Fairtrade supply chain. This passion is shared across the company and guides our governance team.

To help us navigate the dynamic world of sustainability and fashion, our Head of Supply Chain Sustainability reports to the senior leadership team on sustainable developments through partnerships with Fairtrade ANZ, GOTS (Global Organic Textile Standard – CU1162747), Oeko-Tex and other international bodies for social and environmental certification, including [SA8000](#), [SMETA](#), and [WRAP](#).

Timeline

● 2006

Gosia Platek launches Kowtow. The brand is inspired by streetwear and presents strong graphic political messages on organic cotton t-shirts available online and through stockists in Aotearoa New Zealand and Australia.

● 2008

From bright coloured streetwear, Kowtow goes monochromatic, evolves into a fashion label and enters boutiques in Aotearoa New Zealand, Australia and Japan.

● 2010

The first range of jersey basics is born: Building Blocks.

● 2011

Introduction of woven fabrics in the collection. Kowtow's first print fabric, Triangles, sets the tone for our graphic aesthetic.

● 2012

With Tadao Ando's inspired collection, Kowtow's first fashion show at New Zealand Fashion Week. Our team has four employees.

● 2013

Gosia does a Vipassana. She comes back with a clear vision for the business: to grow internationally.

● 2014

European & North American agents take collections to trade shows in Paris, Copenhagen, New York and Los Angeles.

● 2015

Kowtow opens office & showroom in Melbourne, Australia

● 2016

Kowtow scores an A in Ethical Fashion Report. Kowtow documents their story with the film "From Seed to Garment" filmed at farms & manufacturers in India. Kowtow now has 17 employees.

● 2017

Kowtow releases limited edition Heart House tees and donates all proceeds to New Zealand Red Cross Refugee resettlement program. Te Whanganui-a-Tara / Wellington Head Office & Workroom moves to new space on Tory Street.

● 2018

Kowtow opens first retail store in Te Whanganui-a-Tara / Wellington, Aotearoa New Zealand. European office opens in London, our team grows to 29.

● 2019

Single-Use Planet campaign launches on World Environment Day to raise awareness of plastic waste in oceans & support environmental charities. Kowtow opens second retail store in Tāmaki Makaurau / Auckland, Aotearoa New Zealand.

● 2020

COVID-19 prompts Kowtow to recall international teams back to Aotearoa New Zealand and establish a digital showroom within the Te Whanganui-a-Tara / Wellington Head Office. Launched Take Back & Repair Programs, moving closer to Gosia's vision of closing the loop and attaining full circularity.

● 2021

Continued impact of COVID-19. Kowtow continues to develop 'digital first' approach. Advisory board appointed. Kowtow team grows to 44.

● 2022

Kowtow becomes B-Corp Certified and releases Sustainability Strategy with goals for 2022-2025.

● Industry context

In 2020/21 1.4% of all cotton grown is estimated to have been organic.¹

1. https://textileexchange.org/app/uploads/2022/10/Textile-Exchange_OCMR_2022.pdf

Map of Supply Chain & Operations

Aotearoa New Zealand
Head Office & Workroom
Retail Spaces
Warehouses

Australia
Warehouse

India
Cotton Growing¹
Cotton Processing²
Garment Production³
Trim Suppliers/Manufacturers⁴

Hong Kong, China
Trim Supplier/Manufacturer⁴

Germany
Trim Suppliers/Manufacturers⁴

Italy
Trim Suppliers/Manufacturers⁴

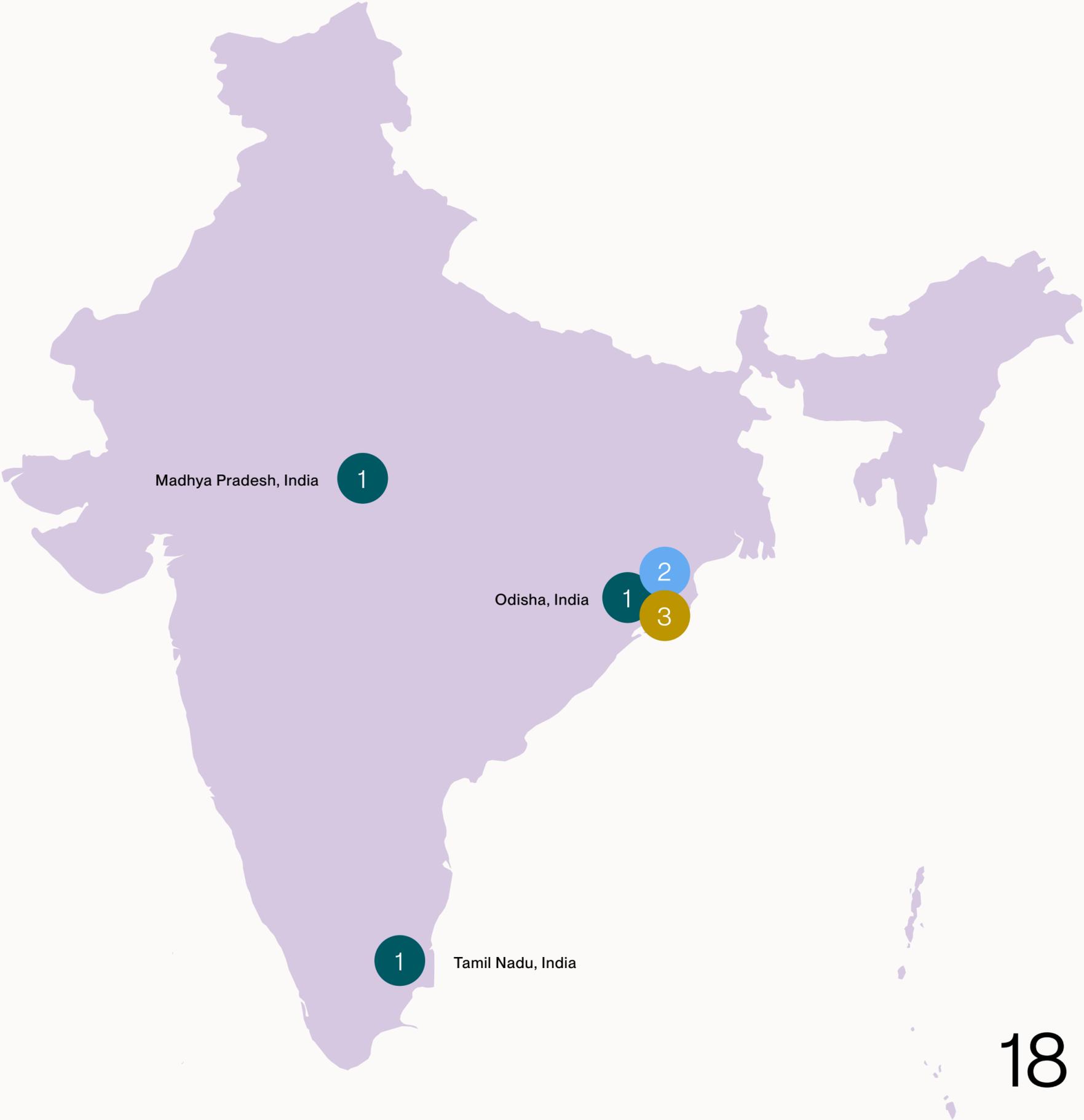
- 1 Comprehensive Cotton Growing Location Details — page 18
- 2 Comprehensive Cotton Processing Location Details — page 19
- 3 Comprehensive Garment Production Location Details — page 20
- 4 Comprehensive Trim Supplier Details — page 21

India: Cotton Growing Locations

● Supply Chain 1	Denim, Heavy Flat Knits, Wovens
Locations	Growers
Odisha, India	OM ORGANIC COTTON PVT. LTD
Madhya Pradesh, India	SUNGOLD
	NOBEL ECOTECH
Tamil Nadu, India	ANANDHI TEXSTYLES PRIVATE LTD

● Supply Chain 2	Jersey
Locations	Growers
Odisha, India	CHEटना ORGANIC AGRICULTURE PRODUCER COMPANY LIMITED

● Supply Chain 3	Light Flat Knits
Location	Growers
Odisha, India	OM ORGANIC COTTON PVT. LTD



India: Cotton Processing Locations

● Supply Chain 1 Denim, Heavy Flat Knits, Wovens

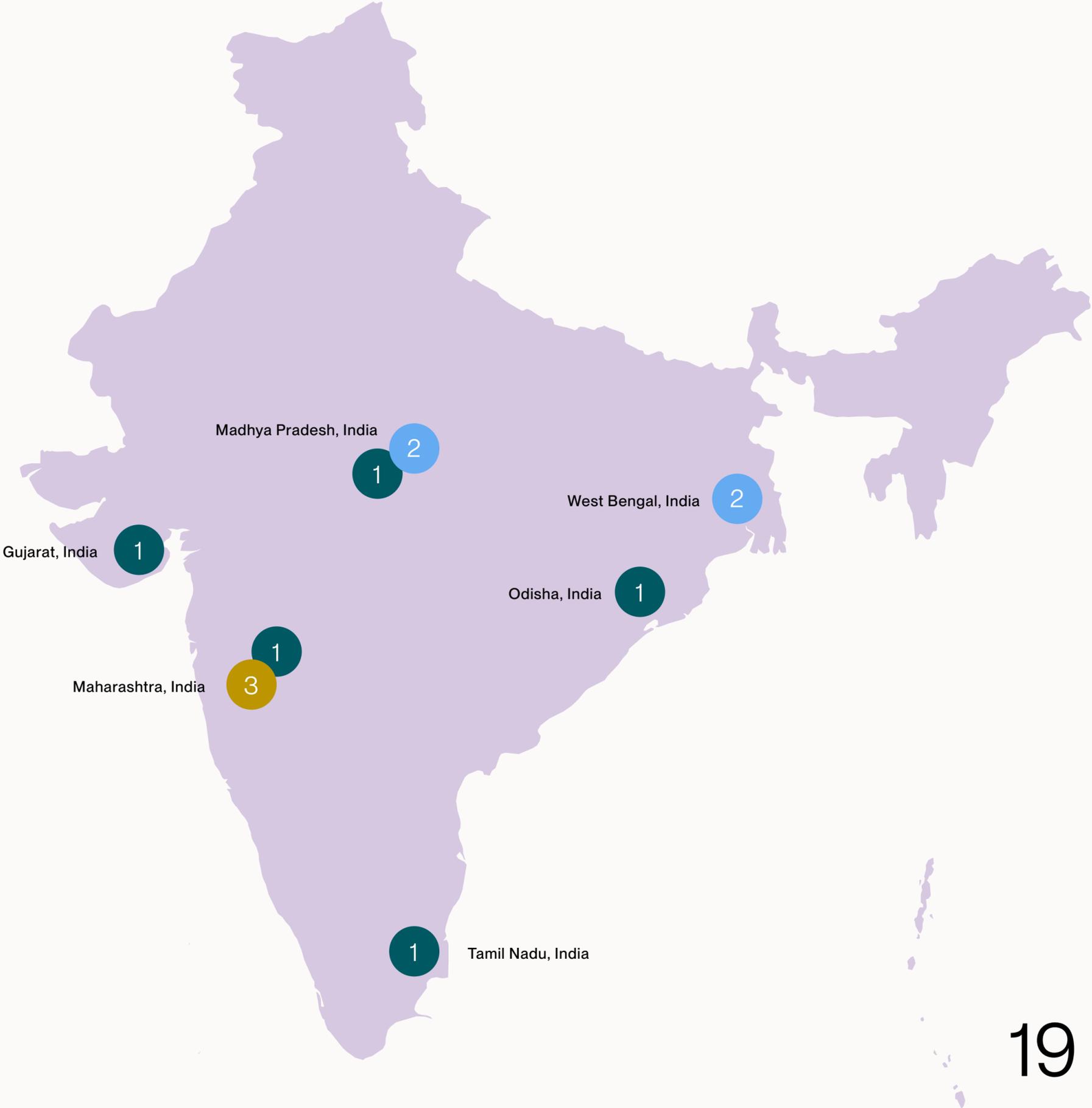
Locations	Suppliers	Processing
Maharashtra, India	REVEL FABRICS GMBH	Spinning, Dyeing, Weaving
Madhya Pradesh, India	MARAL OVERSEAS LTD	Spinning, Dyeing
	SUNGOLD	Ginning
	NOBEL ECOTECH	Ginning
Gujarat, India	RSWM LTD	Ginning, Spinning, Dyeing
Tamil Nadu, India	SRI KALYAN EXPORT PRIVATE LTD	Weaving
	SREENIVAS FABRICS	Weaving
	HRM TEXTILES	Weaving
	PREMIER SPINNING & WEAVING MILLS PVT. LTD	Dyeing
	INDIA DYEING MILLS (P) LTD	Dyeing
	UNIFRONT	Dyeing
	KKP SPINNING MILLS PRIVATE LIMITED	Spinning
	ANANDHI TEXSTYLES PRIVATE LTD	Ginning
Odisha, India	OM ORGANIC COTTON PVT. LTD	Ginning

● Supply Chain 2 Jersey

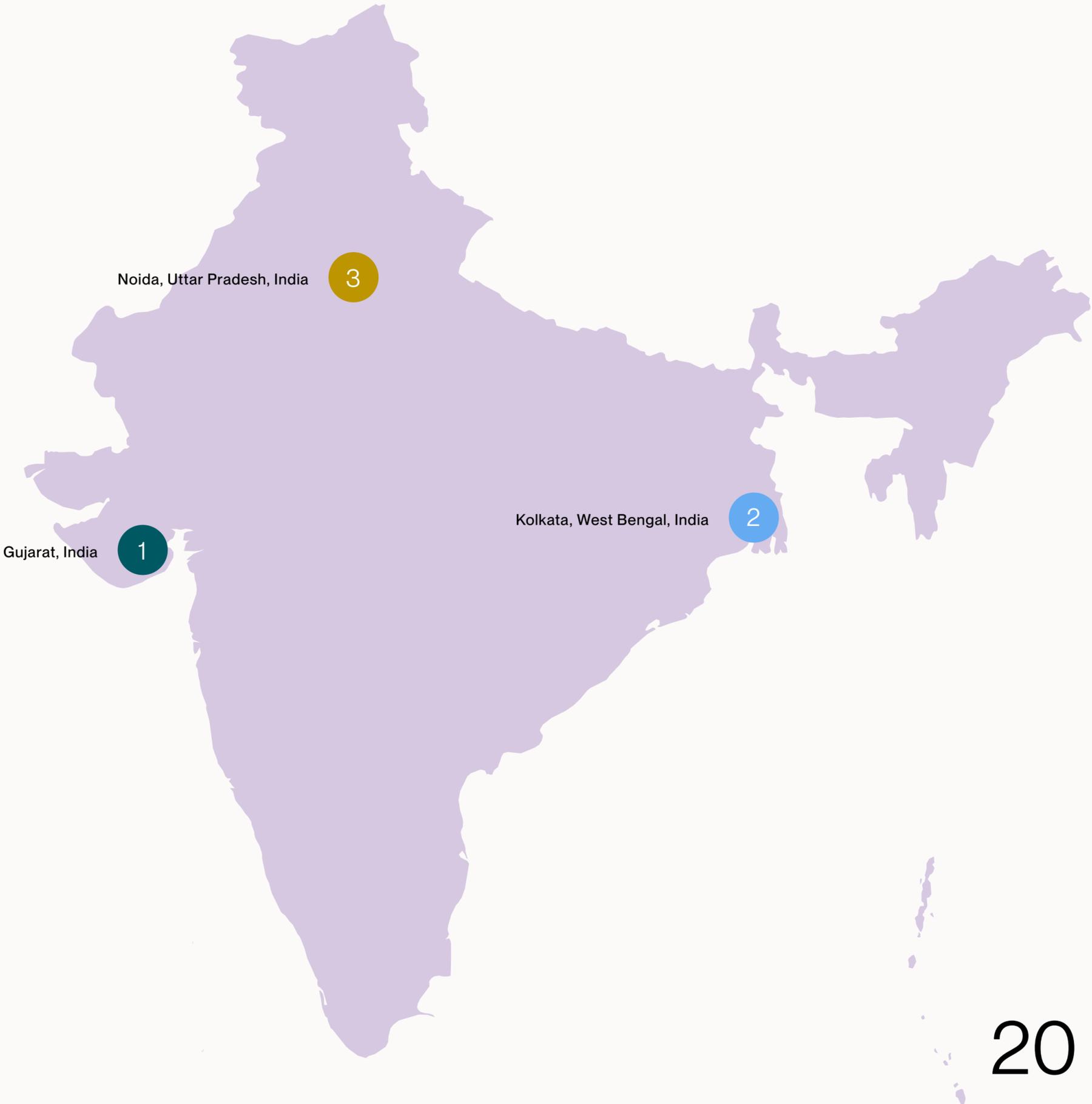
Locations	Suppliers	Processing
West Bengal, India	RUPA	Dyeing
	KOTHARI	Dyeing
Madhya Pradesh, India	SAGAR MANUFACTURING PVT. LTD	Spinning

● Supply Chain 3 Light Flat Knits

Location	Supplier	Processing
Maharashtra, India	RSWM	Ginning, Spinning, Dyeing



India: Garment Production Locations



● Supply Chain 1 Denim, Heavy Flat Knits, Wovens

Locations	Manufacturers	Production processes
Gujarat, India	PURECOTZ ECO LIFESTYLES PVT, LTD	CMT, Flat Knitting

● Supply Chain 2 Jersey

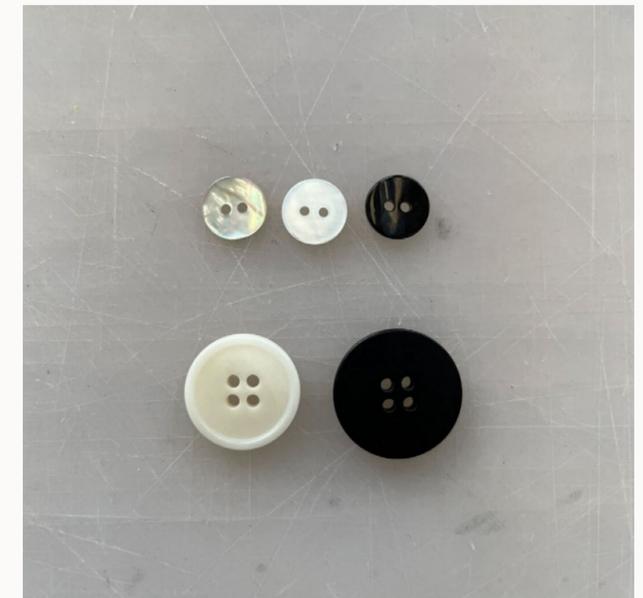
Locations	Manufacturers	Production processes
Kolkata, West Bengal, India	RAJLAKSHMI COTTON MILLS LTD	CMT, Circular Knitting

● Supply Chain 3 Light Flat Knits

Location	Manufacturers	Production processes
Noida, Uttar Pradesh, India	RAJLAKSHMI COTTON MILLS LTD	CMT, Flat Knitting

Trim Source Locations

Trim	Trim suppliers / manufacturers	Location of trim suppliers / manufacturers	Raw materials used	Source locations for raw materials
Mussel Shell buttons	Distributed by: Oceania Accessories - Italian Import Co Ltd	Tāmaki Makaurau / Auckland	Mussel	Japan, Australia
Agoya Shell buttons	Distributed by: Oceania Accessories - Italian Import Co Ltd	Tāmaki Makaurau / Auckland	Mother of pearl / Agoya	Japan, Australia
Tagua Nut buttons	Distributed by: Oceania Accessories - Italian Import Co Ltd	Tāmaki Makaurau / Auckland	Tagua / Corozo nut	Peru, Columbia, Ecuador
Nickel free metal 22L & 27L logo tacks	Berning & Söhne GmbH & Co. KG	Wuppertal, Germany	Stainless steel	Germany, France, Italy, Czech Republic
Nickel free metal snaps	Berning & Söhne GmbH & Co. KG	Wuppertal, Germany	Stainless steel	Germany, France, Italy, Czech Republic
Nickel free metal rings	Berning & Söhne GmbH & Co. KG	Wuppertal, Germany	Stainless steel	Germany, France, Italy, Czech Republic
Natural rubber elastic encased in organic cotton	Filo-TEX Garnvertrieb GmbH	Albstadt, Germany	Natural rubber	Malaysia
Natural rubber elastic encased in organic cotton	Filo-TEX Garnvertrieb GmbH	Albstadt, Germany	Organic cotton	Turkey
Elastic yarn	Punarbhavaa Sustainable Products (PSP)	Tiruppur, Tamil Nadu, India	Elastane yarn	India
Organic cotton labels	Punarbhavaa Sustainable Products (PSP)	Tiruppur, Tamil Nadu, India	Organic cotton	India
Recycled organic cotton swing tags	Punarbhavaa Sustainable Products (PSP)	Tiruppur, Tamil Nadu, India	Organic cotton scraps	India
Corn starch garment bio bags	Natur Tec India PVT LTD	Chennai, Tamil Nadu, India	Corn starch	Unknown
Organic cotton interlining	Wendler Interlining HK LTD	Hong Kong, China	Organic cotton	Australia, USA



Governance



The highest governance body of Kowtow is an advisory board consisting of two company executive directors, and two non-executive members, including a board chair who is not a senior executive in the company. The non-executive members are selected by Kowtow's Founder and Managing Director and are reviewed annually to evolve with the needs of the business. 'Conflicts of interest' is an agenda item at every advisory board meeting and are dealt with on a case by case basis.

On an executive level, the Managing Director leads a senior leadership team consisting of Creative Director, Head Designer, Head of Supply Chain Sustainability, Head of Digital, People and Culture Manager and Finance Manager. 85% of these roles are held by people identifying as women, including the Founder and Managing Director.

In January 2022 we created and appointed a new leadership role, Head of Supply Chain Sustainability, to manage the delivery of our Sustainability Strategy (constructed with the support of sustainability advisers, Go Well Consulting), this report, and our overall impacts on the economy, environment, and people. Although we have appointed this role, at Kowtow we believe that our sustainability goals are a shared responsibility, and across each department people have stepped up to manage related goals and targets. Our sustainability team, consists of members from our senior leadership team, our Managing Director and members of the wider team. They meet every fortnight with our external advisers to ensure we deliver on what we said we would.

Further to this, we hold a weekly senior leadership meeting to discuss progress on annual objectives aligned with our purpose, values and financial goals. Then every board meeting our Managing Director delivers a report on these objectives and progress, and our overall impacts on the economy, environment, and people.

Our advisory board were consulted as part of our stakeholder engagement we undertook in 2021 prior to the development of our Sustainability Strategy. A strategy that was reviewed by our senior leadership team and signed off by our Managing Director and Founder / Owner.

In May 2022 Kowtow became a B-Corp certified business which included an amendment to our constitution* to reflect a governance level commitment to positive impact.

*Kowtow Constitution Excerpt:

"PART 2. SPECIAL PROVISIONS

2.1. The clauses in this part 2 [Special Provisions] are clauses paramount. Whenever these clauses paramount are inconsistent with clauses in the remainder of this constitution, these clauses paramount prevail, except to the extent to which the other clauses merely reflect statutory provisions which are mandatory.

Purpose

2.2. The purpose of the Company is to deliver returns to shareholders whilst having an overall positive impact on society and the environment.

Stakeholder clause

2.3. In discharging their duties under this constitution, applicable company legislation, and the general law, the directors of the Company:

(a) will include in their consideration the following factors:

(i) the likely consequences of any decision or act of the company in the long term; and

(ii) the interests of the company's employees; and

(iii) the need to foster the company's business relationships with suppliers, customers and others; and

(iv) the impact of the company's operations on the community and the environment; and

(v) the desirability of the company maintaining a reputation for high standards of business conduct; and

(vi) the interests of the shareholders of the company; and

(vii) the ability of the company to create an overall positive impact on society and the environment.

(b) need not give priority to a particular factor referred to in subclause 2.3(a) over any other factor (included in subclause 2.3(a) or otherwise)."

Stakeholder Engagement & Material Topics

In September 2021, prior to constructing our first Sustainability Strategy, we undertook a comprehensive project to engage with our stakeholders to deeply understand what impacts and issues were most important to them. Supported by Go Well Consulting we reviewed this feedback, considered our known impacts as a clothing brand, and settled on our material impacts (aka topics).

It was with these material impacts, grouped under one of our three pillars - People, Planet, and Prosperity, that we then constructed our Strategy with ambitious goals and targets to achieve. We have used these same material impacts as our material topics for this report.

Material Topics

Circularity (our design process, our supply chain, our take-back and repair services, the management of materials we discard, and our focus on plastic)

Greenhouse Gas Emissions and Energy

Water, Chemicals and Biodiversity

Accessibility, Diversity, and Inclusion

Working With Kowtow (our suppliers, human rights, and procurement)

Education (educate and inspire our community)

Transparency

Community Partnerships and Collaboration

The stakeholder engagement project we undertook involved the following

A 1-hour workshop session with our staff (facilitated by Go Well Consulting) and an anonymous survey

An interview with our advisory board

Direct emails to some of Kowtow's most engaged customers of which we received 3 responses

An online survey which was sent out to the Kowtow database and made available via Kowtow's instagram channel from which we received 654 responses

A direct email to key suppliers which included a cotton mill, an interior architect, our accountants, and our digital marketing partners

A survey link direct emailed to all our wholesale stockists from which we received 8 responses

● Industry context

Less than 1% of used clothing is turned back into new clothes¹



1. <https://ellenmacarthurfoundation.org/topics/fashion/overview>

Industry context

Every second, the equivalent of a rubbish truck load of clothes is burnt or buried in landfill.¹

Between 2000 and 2014, clothing production doubled with the average consumer buying 60 percent more pieces of garment compared to 15 years ago. Yet, each clothing item is now kept half as long.²

Fast fashion is also linked to dangerous working conditions due to unsafe processes and hazardous substances used in production. Costs reductions and time pressures are often imposed on all parts of the supply chain, leading to workers suffering from long working hours and low pay.²

The fashion sector was responsible for some 2.1 billion metric tons of greenhouse-gas (GHG) emissions in 2018 about 4 percent of the global total. To set that in context, the fashion industry emits about the same quantity of GHGs per year as the entire economies of France, Germany, and the United Kingdom combined. Despite efforts to reduce emissions, the industry is on a trajectory that will exceed the 1.5-degree pathway to mitigate climate change set out by the IPCC.³

Production of fossil fuel-based clothing has continued and is projected to grow in the next two decades. Oil and gas companies continue to bet on petrochemical products like polyester to drive their future growth as demand from transportation declines. Textiles are the second-largest product group made from petrochemical plastics behind packaging, making up 15% of all petrochemical products.⁴

1. <https://ellenmacarthurfoundation.org/topics/fashion/overview>
2. <https://unece.org/forestry/press/un-alliance-aims-put-fashion-path-sustainability>
3. <https://www.mckinsey.com/industries/retail/our-insights/fashion-on-climate>
4. <https://www.bloomberg.com/graphics/2022-fashion-industry-environmental-impact/>

Planet



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Circularity

The global fashion industry is one of the worst perpetrators of the linear economic system which is quite simply not sustainable. At Kowtow, we are committed to becoming a circular business that strives to influence our industry to do the same. This means we are aligning to the three principles of a circular economy:

1. Design out waste and pollution
2. Keep products and materials in use
3. Regenerate natural systems

This goal influences every decision we make and has resulted in significant changes to how we do business. Predominantly these relate to how we manage the resources we use with a special focus on the use of plastic.

Plastic



Plastic pollution has become one of today's most urgent environmental challenges. Recent decades have seen a sharp increase in the production of disposable plastic, and with it an increasing amount of plastic waste and pollution.

A major contributor to plastic pollution is microplastic fibres from textiles. In fact according to research by the International Union for Conservation of Nature and Natural Resources 35% of the total microplastic in the world's oceans come from synthetic textiles.

Not only do we like to tackle plastic waste in our workroom and stores, but Kowtow has made a commitment that all our clothing will be plastic free by the end of 2023. At the time of writing this Report, the only plastic left in our products is the elastic used to help the retention in our knitwear hems and the polyester cotton thread we use to sew our garments together. We have stock levels of this thread to use but going forward we intend to only purchase 100% cotton thread.

Some Stats on Plastic:

An estimated 8 million tonnes of plastic enters the ocean every year. (1)

By 2019, the world had produced 9.5 billion tonnes of plastic — more than one tonne of plastic for every person alive today. Roughly 60% of material used in clothing is derived from petroleum. (2)

About 60 per cent of material made into clothing is plastic. (3)

Washing clothes made of synthetic fibre causes half a million tonnes of plastic microfibrils to enter our oceans every year. (4)

The U.S. throws away up to 11.3 million tons of textile waste each year—around 2,150 pieces of clothing each second. (5)

1. <https://ourworldindata.org/plastic-pollution#how-much-plastic-enters-the-world-s-oceans>
2. <https://ourworldindata.org/plastic-pollution#how-much-plastic-does-the-world-produce>
3. <https://www.unep.org/news-and-stories/story/fashions-tiny-hidden-secret>
4. <https://ellenmacarthurfoundation.org/a-new-textiles-economy>
5. <https://www.bloomberg.com/graphics/2022-fashion-industry-environmental-impact/?leadSource=uverify%20wall>

Plastic in our supply chain

Although we have our goal of 0% plastic in our garments by the end of 2023, another challenge remains. Plastic in our supply chain.

Currently, our factories send us lab dips (small samples of fabrics dyed in multiple shades for our seasonal colour development) in plastic slips, courier bags and labels. Our samples are sent in plastic bags with plastic linings in the boxes, which are also wrapped in plastic. Two of our factories also continue to use plastic tags to attach the information card to our sample garments, despite our best efforts to find alternative solutions. We have been unable to determine the amount of plastic discarded from our factories, although some are starting to implement policies and processes which help towards this goal eg; no plastic bottles.

The harsh reality for us is that we are a small player in a massive industry with limited influence over our larger supply chain partners, but we won't give up!

Plastic in our workroom

In our workroom, we use pencils instead of pens and have a culture of not purchasing plastic stationary. We do however, still face the challenge of receiving plastic when purchasing new IT equipment.

Plastic in our repair programme

We still use some amounts of synthetic fusible in our Repair Programme, although these are scraps from previous sampling periods. We have yet to solve the issue of plastic courier bags from our customers who post us garments for exchange or repair but are working to find a better solution.



Our swing tags are made from upcycled cotton using our own factory offcuts and are designed in such a way that they don't require a pin or string.

Plastic-free Garments

1. All our labels and tapes are organic cotton.
2. We replaced synthetic fusible interlining with organic cotton.
3. After discovering our hemp buttons were produced using synthetic binding resin we replaced these with natural tagua nut and shell buttons.
4. We are trialing a natural alternative for the really fine elastic we use in our cuff hems.
5. Currently investigating natural alternatives for polyester cotton thread.



Materials Management

As a fashion business we are responsible for the materials used in our international supply chain. On this page we have shared the data available for the amount of discarded materials at different stages of the supply chain. However, we don't have data for some stages despite our best efforts to gather it from our supply partners.



01 Design and Sampling

Our materials management begins in the design room. Each design has 1-3 toiles made before they are approved to sample stage. Toiles are basic shells made to test and perfect a design. Up to 30 - 50% of designs are rejected before making it to the final selection and these toiles are typically repurposed into a new design or donated.

When producing samples in our workroom, we generate fabric offcuts from cutting and sewing. These fabric scraps (126 kgs during reporting period) are either donated to local schools or kept in storage until we can find a way to recycle them. We only send about one rubbish bag of fabric to landfill each year.

We have implemented 3D design software to minimise sampling waste in the workroom. During the reporting period, we made 46 less samples, saving 91 metres of fabric. We continue to use 2D pattern software to reduce the use of paper patterns and fabric offcuts while improving yields. Printed fabrics are used as efficiently as possible for cutting by creating two way prints.



02 Fibre Production

We only use 100% certified organic Fairtrade cotton for our collections.

As of yet, we have not been able to obtain data on the volumes of materials that are discarded at farm level.





● 03 Yarn Production / Ginning

Our cotton fibre is spun into yarn which is knitted into garments. Yarn is ordered ahead of production and selling, based on estimates. During the reporting period, 3.5 tonnes of yarn was over ordered (excess after garment orders placed). We try to include excess yarn into our next season designs. We also use these leftover yarns to create our knitwear jacquard styles. These are garments with multiple different coloured yarns.



● 04 Fabric Production

At this stage our yarns are manufactured into fabrics and as with the yarn, qualities are ordered ahead of production and selling, based on estimates. Procurement is 120 days prior to sampling.

During the reporting period, we had 5992 metres of over ordered fabric. We often use extra fabric in next season's collections or for our direct-to-customer sales channels.

Our factories use leftover yarns and fabrics to produce prototypes and excess plain fabrics are sent to our Te Whanganui-a-Tara / Wellington workroom for use. We don't discard or incinerate any over ordered yarn or fabric.

In Feb 2022, we employed a Product Insights and Planning Manager to improve our order volume predictions and stock control.



● 05 Garment Manufacturing

Our fabrics are now cut and sewn to make garments. As of June 2022, one of our manufacturers started collecting white cotton fabric offcuts and sends them to our swing tag supplier to produce our recycled cotton swing tags.

Other manufacturers
send fabric scraps for use
in the mechanic industry.
No Kowtow fabric is sent
to a landfill or incinerated.



● 06 Transportation

Our garments are transported to distribution warehouses in certified commercially compostable corn starch biobags.

These are packed into cardboard boxes and stacked on shipping pallets secured with plastic pallet wrap. We partnered with commercial composters, EnviroFert, based in Tuakau, Waikato who composted approximately 60,000 biobags in this period.

All the plastic pallet wrap we receive is collected from our warehouse by Waste Management to be recycled overseas.



● 07 Sales

Our collections are sold through the Kowtow online store, our two Aotearoa New Zealand retail stores (Tāmaki Makaurau / Auckland and Te Whanganui-a-Tara / Wellington) and a global network of over 100 wholesale partners.

Our own stores echo the collections with the use of natural, bespoke and functional materials.



● 08 Customer

Currently we don't have visibility or data on how many Kowtow garments end up in landfill once a customer is finished with them. We know our customers love and look after their Kowtow so we offer solutions to support this.

We offer free repairs for Kowtow products for our New Zealand customers, and are close to launching our repair programme in Australia. During the reporting period, we mended 191 garments.

We also allow Kowtow garment returns through our Take Back Programme. At the time of reporting, we collected 62 boxes of returned garments, which we estimate to weigh 620 kilograms.

Sustainable solutions for dealing with these clothes and giving them a new life are still being developed and we are talking to three different companies, one that can compost clothing and two that recycle them back into yarn. However, they haven't started accepting post-consumer materials yet because of the different types, colors, and quality of the clothes. We're still striving to find a solution for this issue.

To support the reduction of plastic courier bags, customers may return or exchange items in our retail stores. We also provide courier return slips so customers can attach this to the original cardboard packaging to return for repair.



Workroom and Office Waste Volumes

General rubbish 240 ltr bin
Pick up twice a week (we don't always fill it each time)

Paper recycling 240 ltr bin
Pick up once a week (always full)

Glass recycling 140 ltr bin
Casual pick up (about once every 4-6 weeks)

Mixed recycling 140 ltr bin
Plastic & cans/tins. Casual pick up (about once every 4-6 weeks).

All non-fabric materials from our workroom and office space are recycled locally through our council.

All our discarded organic material is collected on bike by [Kai-Cycle](#) for composting and feeding the soil at their urban farm. This year we saved 320 kg of organic material from going to landfill.

We also supply our staff with reusable cups and takeaway containers to reduce single-use waste.

Greenhouse Gas Emissions and Energy

As the extreme weather events around the world continue to escalate in their frequency and intensity, the realities of living in a climate crisis are all too real and confronting. Here in Aotearoa New Zealand we have experienced multiple record breaking flooding events during the reporting period.

Research from [NIWA](#) shows that 2021 was Aotearoa New Zealand's warmest year on record, surpassing the previous record set in 2016, and seven of the past nine years have been among Aotearoa New Zealand's warmest on record. These scientific reports mirror those by the [Intergovernmental Panel on Climate Change \(IPCC\)](#) that show it is indisputable that our planet is warming, our climate is changing, and it is the result of human activities.

If you are wanting to learn more about the science that explains why and how our climate is changing we recommend [this fantastic infographic](#). How we transition our global economy from one that is powered by fossil fuel energy to one that is powered by renewable energy is arguably the challenge of our time. As overwhelming as it can feel Kowtow are committed to doing all we can to achieve this goal.

“To drive the fashion industry to net-zero Greenhouse Gas emissions no later than 2050 in line with keeping global warming below 1.5 degrees.”

Mission of the Fashion Industry Charter for Climate Action

Currently, total greenhouse gas emissions from textiles production, at 1.2 billion tonnes annually, are more than those of all international flights and maritime shipping combined. By some estimates, sector emissions are expected to rise by more than 60 percent by 2030.¹ Most of these impacts are a direct result of apparel's reliance on hard coal and natural gas to generate electricity and heat in key processing locations.²

The most effective way the apparel (and footwear) industries can achieve an ambitious industry-wide emission reduction is to focus on renewable energy and energy efficiency across their supply chains with particular emphasis on the highest impacting life cycle stages (Dyeing and Finishing, Fiber Production, Yarn Preparation, Fabric Preparation, and Assembly) to propel the value chain into a low-carbon future.²

As a business we are yet to map our carbon footprint, or our use of energy within our operations or within our supply chain. But, that work begun this year in line with our [Sustainability Strategy](#). In addition to this we plan to produce an emissions reduction plan, an emissions and intensity measure, support our staff to take actions that will minimise our carbon footprint within their roles, and map our electricity footprint and set reduction targets for our Aotearoa New Zealand operations. See our [Strategy](#) for all the specific and measurable targets we have set in relation to our greenhouse gas emissions and energy usage.

1. <https://unfccc.int/news/fashion-industry-un-pursue-climate-action-for-sustainable-development>
2. https://quantis.com/wp-content/uploads/2018/03/measuringfashion_globalimpactstudy_full-report_quantis_cwf_2018a.pdf



Water



The apparel industry's annual per capita water consumption tallies up to an estimated 23,900 liters, which is akin to taking about 150 baths.¹

While nearly 70% of the world is covered by water, only 2.5% of it is fresh. The rest is saline and ocean-based. Even then, just 1% of our freshwater is easily accessible, with much of it trapped in glaciers and snowfields. In essence, only 0.007% of the planet's water is available to fuel and feed its 6.8 billion people.²



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As a fashion brand, fresh water is a critical resource to our business. It is required for the growth of the cotton fibres we use, and the processing to turn this fibre into the fabrics that make our garments.

As the effects of our changing climate continue to increase, the global water system is also changing. This is resulting in more extreme weather events such as droughts and floods that negatively impact the production of natural fibres and threaten the livelihoods of millions of people. According to National Geographic by 2025, an estimated 1.8 billion people will live in areas plagued by water scarcity, with two-thirds of the world's population living in water-stressed regions as a result of use, growth, and climate change.

In addition to the impacts of climate change the contamination of freshwater is threatening the lives of millions of people while having devastating impacts on freshwater ecosystems. The UN Environment Programme estimates that 80% of global wastewater goes untreated, containing everything from human waste to highly toxic industrial discharges.

The farms where our cotton is grown are certified organic and are predominantly rainfed crops. This means we are not taking huge volumes of water from precious sources, however we do not have any data available on the volumes our farmers are using.

The other major impact on water from our supply chain is the dyeing, printing and wash processing of our yarns and fabrics. We also do not have any data on the volume of, or source of this water. We find this very difficult to obtain from our suppliers because we are a small brand in a very large supply chain. We know that some of our factories treat the water before they discharge it, and others recirculate it back through their own systems. However, predominantly we rely on the GOTS (The Global Organic Textile Standard) and Fairtrade certifications to ensure our suppliers are mitigating and minimising any negative impacts on water.

As part of our Sustainability Strategy we have multiple targets relating to our impacts on water, including to map our full supply chain for water data and risks, and any accompanying certifications to gain visibility of current management (extraction, use, safety, disposal), and develop a plan to support our suppliers to implement closed-loop water systems at their sites.

1. https://quantis.com/wp-content/uploads/2018/03/measuringfashion_globalimpactstudy_full-report_quantis_cwf_2018a.pdf
2. <https://www.nationalgeographic.com/environment/article/freshwater-crisis?loggedin=true>

Chemicals



Our entire supply chain is GOTS and Fairtrade certified. This means that our organic cotton is processed using GOTS approved inks and dyes, which are free from chlorine bleach, toxic heavy metals, formaldehyde and aromatic solvents.

We also only use GOTS approved washes to process our garments, which ensure no harmful substances are used, and the sustainable use and treatment of wastewater.

The use of chemicals is ubiquitous with producing clothes. They are used in the growing of natural fibres, the production and dyeing of yarns and fabrics, and to apply a variety of attributes to finished garments e.g. flame retardant, water resistant, and anti-wrinkle finishes. Pay close attention to the sustainability of brands that sell clothing labeled as anti-wrinkle, anti-microbial, flame resistant or waterproof because these will likely be packed with toxic chemicals. Additionally, keep an eye out for safety certifications like the Global Organic Textile Standard (GOTS), OEKO-TEX STANDARD 100 and Cradle to Cradle.¹

According to research by Edge Fashion Intelligence 43 million tons of chemicals are used to dye and treat clothes every year and there are 8,000 different chemicals used to manufacture clothing. And according to United Nations Partnership on Sustainable Fashion programme, cotton farming is responsible for 24 percent of insecticides and 11 percent of pesticides despite using only 3 percent of the world's arable land.



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1. <https://www.fashionfwd.org/hazardouschemicals>

Biodiversity



For Fiber Production, the primary source of impact comes from cotton cultivation, which affects ecosystem quality primarily due to pesticides used in cultivation, and other field emissions such as nitrate (and other pollutants). In this stage, the second driver

with regards to ecosystem quality comes from the production of synthetic resin for synthetic fibers.¹

Biodiversity is essential for the natural systems that support all life on Earth. However, we are currently experiencing the loss of biodiversity at unprecedented rates.

According to the research by the UN Environment global populations of fish, birds, amphibians, and reptiles declined by 58% between 1970 and 2012, and currently 25% of mammal species and 41% of amphibians are threatened with extinction. The apparel industry is a significant contributor to this biodiversity loss. Apparel supply chains are directly linked to soil degradation, conversion of natural ecosystems, and waterway pollution.

Kowtow has a responsibility to ensure we are not contributing to these problems but being part of the solution by mitigating negative impacts and regenerating ecosystems. Our primary approach to this is through our commitment to using 100% certified Fairtrade organic cotton, and the relationships we have with these organizations and our suppliers.

We will continue with this policy indefinitely and build on our visibility of our supply chain and impacts, and take steps to achieve regenerative impacts as is outlined in our Sustainability Strategy such as working with tier 4 suppliers to gather data on soil health, biodiversity and water use on farms.

During our time as a business we have never identified a supplier as having, or had to terminate any supplier relationships due to, actual or potential negative environmental impacts.

1. https://quantis.com/wp-content/uploads/2018/03/measuringfashion_globalimpactstudy_full-report_quantis_cwf_2018a.pdf



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People



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Our goal

To be a brand that is diverse, inclusive and accessible and to actively grow our understanding and remain accountable.

Accessibility, Diversity & Inclusion



Accessibility

Accessibility to our garments and our business more generally has been a longstanding conversation for Kowtow. We are acutely aware of the barrier of affordability, and that the price of our garments is simply out of reach for many in our society. Further to the cost of garments, the sizing and design may also restrict accessibility, while the marketing and advertising of clothing can be exclusive of minority groups.

The raw truth is that the decisions we have made to stick to our values and ethics has resulted in higher costs for us. We are paying more for our certified Fairtrade organic cotton than other brands who are not. But considering what we know about the risks of modern slavery and exploitation within the fashion industry, and the impacts of cotton farming, these are non-negotiables for us. As we have set out in our [Sustainability Strategy](#) it is our goal for this year to “investigate how we improve accessibility by looking at price point, channel, messaging, margin, units sold, customers and competition.” We expect that this piece of work will provide us with valuable insights on what steps we can take to improve accessibility to Kowtow garments.

Further to this we have our [Repairs Programme](#) that allows our customers to maintain and extend the life of their Kowtow garments which we hope supports accessibility.

Diversity and inclusion

The fashion industry has a long history of being exclusive and discriminating. From the sizing and design of clothes to the advertising campaigns and models used. It is an industry that has caused huge damage on the sense of worth, and belonging of many.

At Kowtow we are following these steps as part of our commitment to be a brand that is diverse, inclusive and accessible and to actively grow our understanding and remain accountable:

- Undertake a team questionnaire to measure levels of accessibility, diversity and inclusion.
- Produce and implement a Diversity, Equity and Inclusion Policy with specific reference to our remediation pathways.
- Set up an annual review of the diversity of models we use and formalise a policy to ensure they continue to reflect diverse ages, ethnicities, sizes and abilities.
- Set 2023 intention for model diversity.
- Ensure our staff have a strong awareness of what diversity, equity, inclusion and unconscious bias mean to Kowtow.
- Achieve 2023 targets for model diversity and set 2024 targets.
- Investigate formalising internship programme that directly impact our accessibility, diversity and inclusion goals.
- Achieve 2024 targets for model diversity and set 2025 targets.

● For a breakdown of the diversity within our team see About Kowtow — page 08



Working with Kowtow

At Kowtow we are highly aware of the sadly, far too common, breaches of human rights, poor working conditions, discrimination, and modern slavery that occurs in our industry. [The Global Slavery Index](#) has ranked “garments” second on their list of products most at risk of modern slavery.

It is because of this awareness of the ‘dark side’ of our industry that from Kowtows inception in 2006, we have always worked solely with Fairtrade certified suppliers. “Enabling workers to earn a living wage is one of the core objectives of Fairtrade’s strategy. Our ambition is that workers have the power to improve their own livelihoods and negotiate their wages and terms of work.” - Fairtrade.

We manufacture solely in India. India is a high risk country for human rights violations. As Kowtow’s entire supply chain is Fairtrade certified the risk of human rights violations is low. 100% of the factories we work with provide us with the required certification documents.

SA8000 or WRAP or SMETA are social certifications to ensure there is among other things:

No child or forced labour

No discrimination

Good health and safety standards

Freedom of Association & Right to Collective Bargaining

Reasonable working hours

For all our suppliers we obtain valid and up to date certifications, and check these against the available databases to ensure they are maintaining their obligations.

In addition to these certifications our Supplier Code of Conduct (SCOC) outlines the minimum standards we expect from all our suppliers. Prior to the global pandemic we would also visit our Indian suppliers every year, but due to travel restrictions we were unable to. We returned to India for the first time in three years in September 2022. We have developed an internal checklist for our travelling team to go through while visiting our suppliers, as part of our increased due diligence on modern slavery and human rights violations.

As part of our onboarding process for any new suppliers they must sign our SCOC and provide us with the required certification documents.

In 2019 we participated in the Tear Fund Ethical Fashion Report that reviews the supply chains of fashion brands. We achieved an A+ score.

Education

Learning and developing our knowledge, both as a collective and as individuals, has been a natural outcome for Kowtow driven by our ongoing curiosity to understand our impacts, and the impacts of our industry. We are continually challenging ourselves to understand and solve these huge problems, and improve as a business.

Being a brand with a long history of bringing attention to sustainability related topics, we have developed a very engaged and well informed customer base that requires our retail team to have a strong understanding of the topics themselves, especially our supply chain. All new Kowtow team members undergo one week of onboarding when they join us, and we have a continual programme of ongoing job training, depending on the role, and each individuals skills and previous experience. To support this, all employees also have ongoing performance reviews, initially after their first 3, 6, and 12 months, and then annually thereafter.

Since the development of our Sustainability Strategy we have found that our internal conversations and focus on educating around sustainability more generally has ramped up. A tangible example of this is the creation of a library of sustainability related books, and various digital communication channels dedicated to sustainable innovation and research. Our challenge now is how do we get people engaged with that and reading the books!

Since becoming B-Corp certified in May 2022, we have been attending B-Corp related events allowing us to learn from other B-Corps and investigate collaborations with like minded businesses. We are very excited about these opportunities.

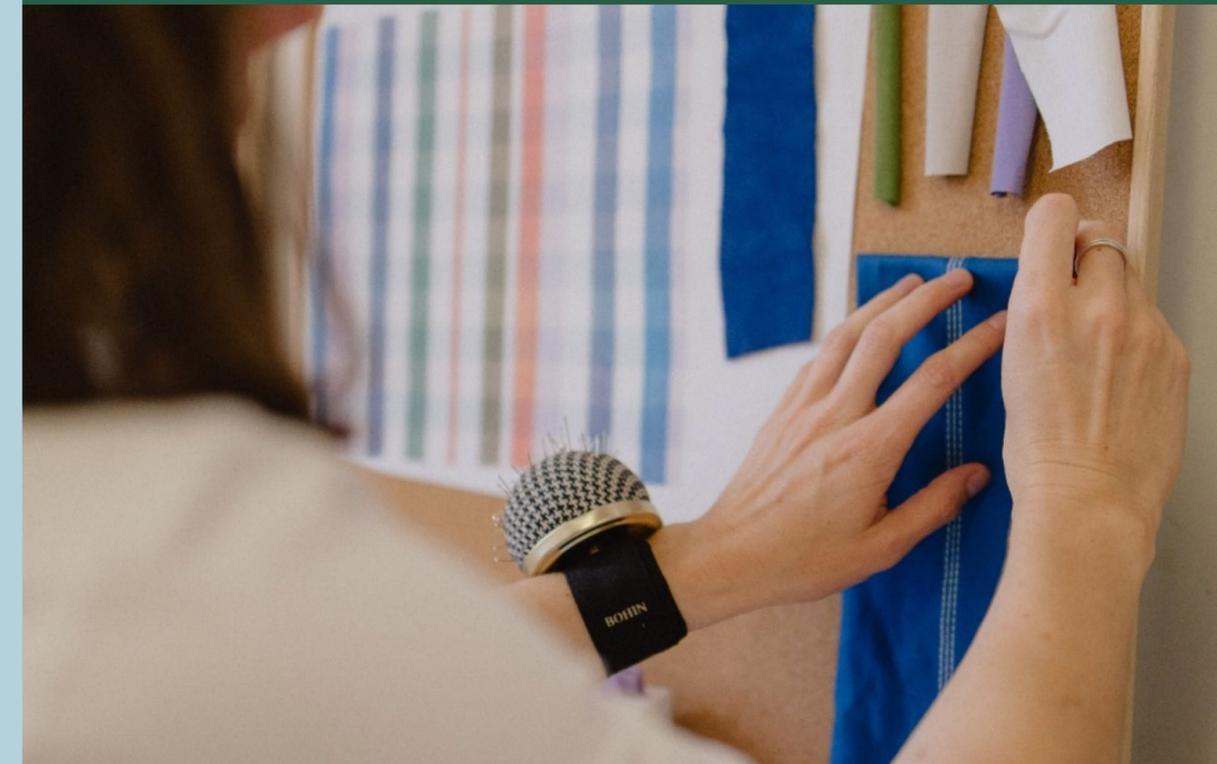
Future education

We have not recorded the hours of training that has been provided to our team but we are currently reviewing our employee benefits and our professional development offering. This is not only to benefit our team, but also to support staff retention. The small pool of qualified and experienced potential employees available is an ongoing challenge for New Zealand based fashion brands. Training is done on a case by case basis.

To lead this education and development work we employed our first ever People and Culture Manager in March 2020. At the time of her employment we had 25 FTEs.

Traditionally we have provided leadership training for our senior leadership team annually, but this year we started to include our “emerging leaders” to help prepare and develop them for our planned growth and the corresponding increase in responsibilities.

Moving forward we will continue to provide training and support to our team to enhance their professional and personal development and record the hours of training provided to share in our next report.



Transparency



The fashion industry has been built in an opaque manner, making transparency and traceability of the supply chain risks difficult to reveal. The industry can contribute towards harm to both people and the natural world and it is something that many have tried to cover up or down play for decades. We believe that transparency is a critical part of transforming these impacts to become regenerative.

Kowtow has always mapped our supply chain from seed to garments ensuring that each of our suppliers are holding all relevant and valid certifications.

This Impact Report and our commitment to report biennially is an attempt from us to further improve transparency with all our stakeholders. Further to reporting, as part of our 2022 [Sustainability Strategy](#) goals, we will be updating our website on 2023 to ensure it holds all relevant information relating to our supply chain and operations, and it is easy to access and understand.



Community Partnerships and Collaboration



Kowtow is committed to being an engaged and active presence within the communities we operate in. The bottom line is not the be-all-and-end-all for our business - we want to positively contribute to our wider community through our operations. During the reporting period 46.4% of our procurement budget was spent with New Zealand suppliers.

From our inception, we have worked with Fairtrade certified supply partners and organic cotton farmers to create our clothing. We have also developed collaborations and partnerships with charities that share our values to amplify positive impact. Over this reporting period Covid restrictions impacted this, particularly our ability to engage on the ground in India. Covid frustrations aside, Kowtow has continued to work with our charity partners to raise awareness and funds to support environmental and social causes from the grass roots up.

While the response of many global fashion brands to the global pandemic was to cancel or reduce orders and / or extend their payment terms seemingly disregarding the livelihoods of millions of vulnerable workers, Kowtow did not cancel a single order - we honoured all of our order commitments. Despite the impact this had on our budget and ability to deliver on various projects, it is something we are very proud of.

100% of the cotton we purchase is Fairtrade certified. This means we pay both a minimum price, a premium, and a license fee. Our impact directly with farmers through the Fairtrade premium alone for 2019 / 2020 combined was NZ\$20,626.

Community Partnerships and Collaboration CONT.

Fairtrade Minimum Price + Fairtrade Premium

The minimum price is set based on a consultative process. It guarantees that producer groups receive a price that covers what it costs to grow their crop. The price is reviewed every three to four years to adjust to local inflation.

Fairtrade Premium is an additional sum of money which goes into a communal fund for workers and farmers. In a General Assembly they decide how use the Premium to improve their social, economic and environmental conditions.

The Fairtrade Premium is calculated as a percentage of the volume of products sold. The amount of Premium farmers receive differs from product to product and across regions.

License Fee

License fees contribute to the wider Fairtrade ecosystem. We use research and collect data to inform our work, enhance our standards and pricing systems, and promote innovative solutions to the structural challenges for farmers and workers in global supply chains. Research also helps us to explore some of the prickly questions that are fundamental to changing how trade works.

The fees help to: develop projects to support farmers at a global level, advance development of the UN SDGs, support the third party auditing system through FLOCERT, and support your business in market & maintain local support in AU, NZ & the wider Pacific.

Initiatives



● Giving back

November 2021

Wellington Womens Refuge

For our November 2021 sample sale we invited our community to bring food and/or toiletry donations that were then passed on to the Wellington Womens Refuge.

December 2021

Wellington City Mission

For our 2021 Christmas collection our staff donated food and/or toys which we passed on to Wellington City Mission to include in their gift packs.



● Collaborations

April 2021

Massey University partnership

Supporting Massey University School of Design students up-cycle project through embroidery and textile manipulation. For each faulty Kowtow garment utilised we donated a tree. 30 trees were planted.

July 2021

Kowtow x Sustainable Coastlines (NZ) /
Take 3 for the Sea (AU) - Single Use Plastic

To coincide with Plastic Free July we launched a Single Use Planet capsule of unisex tees and tote bag. We partnered with Sustainable Coastlines and Take 3 for the Sea by donating \$10 per tee and \$5 per tote to support the incredible mahi to achieve cleaner coasts and oceans. These are partnerships we started in June 2019 with the release of our first SUP collection.

March 2022

Kowtow x Koha partnership to celebrate
International Women's Day

From March 8 to April 9 all Kowtow stores were open to receive clothing donations from the community to uplift Koha's mission and the communities they serve.



● Volunteering

May / June 2021

Kowtow staff volunteered over 2 days for tree planting and weed eradication with Conservation Volunteers New Zealand.

Our Partners

Certification Partners

We are certified with these bodies and have strong business relationships with Fairtrade ANZ, B Lab Australia & Aotearoa New Zealand and Global Organic Textile Standard (GOTS).



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Associations

We have strong working relationships with New Zealand Trade and Enterprise and Mindful Fashion NZ.



**NEW ZEALAND
TRADE & ENTERPRISE**
Te Taurapa Tūhono



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Statement of use

Kowtow has reported in accordance with the GRI Standards for the period 1 July 2020 to 30 June 2022.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

N/A

Gri Standard/ Other Source	Disclosure	Location	Notes
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 08	
	2-2 Entities included in the organization’s sustainability reporting	Page 07	
	2-3 Reporting period, frequency and contact point	Page 07	
	2-4 Restatements of information		Not applicable
	2-5 External assurance	Page 07	
	2-6 Activities, value chain and other business relationships	Pages 08, 17–21	
	2-7 Employees	Page 08	
	2-8 Workers who are not employees	Page 08	
	2-9 Governance structure and composition	Page 22	
	2-10 Nomination and selection of the highest governance body	Page 22	
	2-11 Chair of the highest governance body	Page 22	
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 22	

Gri Standard/ Other Source	Disclosure	Location	Notes
GRI 2 General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Page 22	
	2-14 Role of the highest governance body in sustainability reporting	Page 22	
	2-15 Conflicts of interest	Page 22	
	2-16 Communication of critical concerns	Pages 11, 22, 23	
	2-17 Collective knowledge of the highest governance body	Page 22	
	2-18 Evaluation of the performance of the highest governance body	Page 22	
	2-19 Remuneration policies		We respect the confidentiality of all individual employment agreements. The senior leadership team are required to provide inspirational and positive leadership across the whole business, personally demonstrating the Kowtow purpose and values.
	2-20 Process to determine remuneration	Pages 14, 22	
	2-21 Annual total compensation ratio		We respect the confidentiality of all individual employment agreements
	2-22 Statement on sustainable development strategy	Page 11	
	2-23 Policy commitments	Page 11	
	2-24 Embedding policy commitments	Page 11	
	2-25 Processes to remediate negative impacts	Pages 11, 22	
	2-26 Mechanisms for seeking advice and raising concerns	Pages 11, 44	
	2-27 Compliance with laws and regulations		Kowtow had no instances of non-compliance with laws and regulations.
	2-28 Membership associations	Page 52	
2-29 Approach to stakeholder engagement	Page 23		
2-30 Collective bargaining agreements		All Kowtow staff are employed on individual contracts.	

Gri Standard/ Other Source	Disclosure	Location	Notes
Material topics			
GRI 3 Material Topics 2021	3-1 Process to determine material topics	Page 23	
	3-2 List of material topics	Page 23	
Indirect economic impacts			
GRI 3 Material Topics 2021 GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topics	Pages 49–51	
	203-1 Infrastructure investments and services supported	Pages 49–51	
	203-2 Significant indirect economic impacts	Pages 49–51	
Procurement practices			
GRI 3 Material Topics 2021 GRI 204: Procurement Practices 2016	3-3 Management of material topics	Pages 44, 47, 48	
	204-1 Proportion of spending on local suppliers	Page 48	

Gri Standard/ Other Source	Disclosure	Location	Notes
Materials			
GRI 3: Material Topics 2021 GRI 301: Materials 2016	3-3 Management of material topics	Pages 27–34	
	301-1 Materials used by weight or volume	Pages 29, 31–34	
	301-2 Recycled input materials used	Pages 29, 31–33	
	301-3 Reclaimed products and their packaging materials	Pages 29, 31–33	
Water and effluents			
GRI 3: Material Topics 2021 GRI 303: Water and Effluents 2018	3-3 Management of material topics	Page 37	
	303-1 Interactions with water as a shared resource	Page 37	
	303-2 Management of water discharge-related impacts	Page 37	
	303-3 Water withdrawal	Page 37	
	303-4 Water discharge	Page 37	
	303-5 Water consumption	Page 37	
Biodiversity			
GRI 3: Material Topics 2021 GRI 304: Biodiversity 2016	3-3 Management of material topics	Page 39	
	304-2 Significant impacts of activities, products and services on biodiversity	Page 39	
	304-3 Habitats protected or restored	Page 39	
Emissions			
GRI 3: Material Topics 2021 GRI 305: Emissions 2016	3-3 Management of material topics	Page 35	
	305-1 Direct (Scope 1) GHG emissions	Page 35	
	305-2 Energy indirect (Scope 2) GHG emissions	Page 35	
	305-3 Other indirect (Scope 3) GHG emissions	Page 35	
	305-4 GHG emissions intensity	Page 35	

Gri Standard/ Other Source	Disclosure	Location	Notes
Waste			
GRI 3: Material Topics 2021 GRI 306: Waste 2020	3-3 Management of material topics	Pages 28–34	
	306-1 Waste generation and significant waste-related impacts	Pages 29, 31–34	
	306-2 Management of significant waste-related impacts	Pages 28–34	
	306-3 Waste generated	Pages 28–34	
	306-4 Waste diverted from disposal	Pages 29–34	
	306-5 Waste directed to disposal	Page 34	
Supplier environmental assessment			
GRI 3: Material Topics 2021 GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	Pages 37–39	
	308-1 New suppliers that were screened using environmental criteria	Pages 37–39	
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 39	
Training and education			
GRI 3: Material Topics 2021 GRI 404: Training and Education 2016	3-3 Management of material topics	Page 46	
	404-1 Average hours of training per year per employee	Page 46	
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 46	
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 14	
Diversity and equal opportunity			
GRI 3: Material Topics 2021 GRI 405: Diversity and Equal Opportunity 2018	3-3 Management of material topics	Pages 42, 43	
	405-1 Diversity of governance bodies and employees	Pages 08, 22	

Gri Standard/ Other Source	Disclosure	Location	Notes
Freedom of association and collective bargaining			
GRI 3: Material Topics 2021 GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management of material topics	Pages 44, 47, 49, 50	
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 44	
Child labor			
GRI 3: Material Topics 2021 GRI 408: Child Labor 2016	3-3 Management of material topics	Page 44	
	408-1 Operations and suppliers at significant risk for incidents of child labor	Page 44	
Forced or compulsory labor			
GRI 3: Material Topics 2021 GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topics	Page 44	
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 44	
Local communities			
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