

Policy Statement

12.07.2023

Who we are...

We, Karlowsky Fashion GmbH, are a medium-sized family business based in Wanzleben-Börde near Magdeburg. We are the fifth generation to offer innovative workwear, shoes and accessories for the catering, hotel, medical, care and wellness industries.

With the launch of our Green Generation® product line in 2021, we set out on the path to more innovative and sustainable fashion. Since the launch, new items have been added, the majority of which are made from GRS-certified recycled polyester. Our goal is to increase the relative share of products made from sustainable materials in our product portfolio in the coming years. In addition to recycled raw materials, this also includes organic natural fibres, such as GOTS-certified cotton.

In addition to our Green Generation® product line, many of our products are certified according to Standard 100 by OEKO-TEX®. In addition, we work closely with the accredited testing laboratory Labtech Prüfungsgesellschaft mbH to have quality tests and tests for harmful substances carried out on our products on a regular basis. In this way, we want to protect our employees and customers.

As an internationally active company, our sphere of influence extends far beyond our location in Wanzleben-Börde. However, we lay the foundation for a more sustainable future at our company headquarters and locally at our production partners in Europe, Asia and North Africa.

How we work with our production partners...

Before we enter into a business relationship with a new production partner, we go into the exchange and get an exact picture of the production site. We only start cooperations with production partners who have passed our internal audit. In doing so, we take a special look at working conditions as well as compliance with human rights and environmental protection. Before the start of a business relationship, we also communicate our values and expectations. Every production partner receives our Code of Conduct for this purpose, which the management must sign. With the signature provided, our production partner confirms that it has understood our values and expectations in the areas of human rights, working conditions and environmental protection and will act accordingly. Our goal is to maintain long-term business relationships. This enables us to work together with our production partners on continuous improvement in the areas of human rights, working conditions and environmental protection.

We do not allow our production partners to pass on production orders to other companies that have not been approved by us and are therefore not part of the audited and certified supply chains. Violations can lead to the immediate termination of the business relationship with the respective production partner. When we enter into a business relationship with a production partner, we continuously monitor it with the help of external audits and our own factory inspections. This enables us to identify risks to people and the environment. The results of the audits are discussed with our production partner and improvement measures are developed.

Why we actually identify risks...

We are aware that we have an impact on people and the environment through our international production network along our supply chains. Due to the complex, multi-stage production steps, many different people and companies are already involved in the manufacture of a single product. We work continuously in our supply chains to prevent any damage to people and the environment and to make amends in the event of damage. To make this possible, we conduct regular risk analysis. Certain risk sectors come up most frequently in our risk analysis. These are risks in the areas of occupational health and safety, working hours and waste.

Who is particularly looked at in the risk assessment....

There are groups of individuals who may be more frequently exposed to certain risks. These vulnerable groups need special protection. We have identified four vulnerable groups in the course of our business activities. These are children/young workers, women, migrants, and people with disabilities. Vulnerable groups are focused on and questioned during employee interviews as part of audits. The results of the interviews are incorporated into our risk analysis.

Why it is important that our production partners' employees can file complaints...

Identifying risks and implementing measures to avoid them are important pillars of our corporate responsibility. However, we may not be able to identify all risks. For this reason, it is important that employees of our production partners have the opportunity to file complaints. This allows us to uncover risks that would have gone undetected and to discuss and initiate measures to avoid them.

In the production sites of our production partners there are possibilities to file complaints. This can be done, for example, through a grievance box or elected workers' committees. It is important that the mechanisms through which complaints can be submitted function effectively (in accordance with the UN Guiding Principles on Business and Human Rights). This includes, for example, that complaints can be filed anonymously. In dialogue with those responsible, we try to continuously improve the internal mechanisms and make them more effective. We also pay attention to vulnerable groups. These groups should be able to submit complaints without access barriers. This includes ensuring that migrants also have access to internal complaints mechanisms in their mother tongue at the production sites.

Furthermore, it is our goal to establish a back-up grievance mechanism through which employees can report alternatively. This alternative should serve to ensure that complaints can be submitted even if the in-house mechanism does not function adequately. We want to minimise the burden on our production partners here. Assuming that each customer of a production partner sets up its own complaints mechanism would lead to confusion for potential users and a great deal of administrative work for our production partner itself. We therefore refrain from creating our own mechanism for supply chain complaints. Instead, we would like to participate in a centralised mechanism, specifically amfori's 'Speak for Change' mechanism. Complaints submitted through this mechanism will come directly to us. The centralised grievance mechanism will enable us and the production partner, together with other clients, to resolve complaints in the most effective way.

In the case of legitimate complaints received or indications of negative impacts on human rights, the environment and integrity that we as a company have caused or contributed to with our direct production partners, we will endeavour to remedy and redress or cooperate in doing so. In addition, we will protect complainants from retaliation within our own capabilities.

What else we can do....

We ourselves have a certain influence on the risks for people and the environment in the supply chains through our procurement practices. For this reason, we strive to continuously review and, if necessary, adjust our procurement practices in exchange with our production partners. In this way, we can avoid contributing to negative impacts on people and the environment through our own behaviour.

The employees of our production partners should be able to live a decent life on their wages. In reality, this is often not possible with the legally defined minimum wage in the respective country. We therefore strive to promote living wages among our direct production partners and to achieve improvements in cooperation in the medium to long term. We work together with our production partners on individual strategies on how we can contribute to living wages.

On what basis we exercise our corporate responsibility....

Our efforts in this area are based on the following relevant international conventions and frameworks:

- "United Nations Guiding Principles on Business and Human Rights (2011) ([ohchr.org](https://www.ohchr.org/))
- International Human Rights Charter Core Labour Standards of the International Labour Organisation (ILO)
- REACH Regulation of the European Union (EU)
- "OECD Guidelines for Multinational Enterprises" (2011) ([oecd-ilibrary.org](https://www.oecd-ilibrary.org/))

What the future holds....

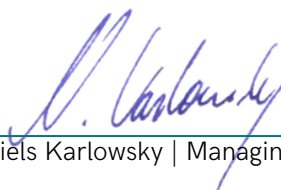
The implementation of our corporate responsibility in our supply chains is a continuous process. We are constantly trying to improve and develop together with our production partners. Creating even more transparency in the lower levels of our supply chains is an important step. For the future, we are striving for more environmentally friendly and sustainable products while improving working conditions along our supply chains.

12.07.2023, Wanzleben-Börde

Date, Place



Thomas Karlowsky | Managing Director



Niels Karlowsky | Managing Director