

# CSR

# REPORT



**Kings Of Indigo**

# 2022

# TABLE OF CONTENTS

## Introduction to the report & Note from our Queen of CSR

<b>1</b>	<b>About Kings Of Indigo</b>	
	Doing It Right	2
	A look at our team and workplace	2
	Our sustainability strategy	3
<b>2</b>	<b>Responsible Production</b>	
	Due diligence	4
	Risk analysis	4 - 12
	K.O.I responsible production principles	13
	Living wage	13 - 14
	Goals for responsible production	14 - 15
<b>3</b>	<b>Planet Friendly</b>	
	Durability	16 - 18
	Goals for durability	18
	Consumer Engagement	19 - 20
	Goals for Consumer Engagement	20
	Planet friendly materials	21 - 29
	Planet friendly trims and packaging	29 - 30
	Goals for materials and trims	31
	A look at our processes & chemicals	32
	Processes	32
	Sustainable alternatives	33
	EIM score	34
	Goals for chemicals and processes	34
	Clean transport	35 - 36
	Kings Of Indigo X ClimatePartner	36 - 39
	Goals for clean transport	40

# TABLE OF CONTENTS

## 4

### Towards Circularity

Circular economy	42
Design for circularity	42 - 43
In the picture: our 10-year anniversary jeans	44
Circular business model	44 - 47
Towards circularity goals	47
Denim Deal	48

## 5

### Transparency

Next level transparency with Retraced	49
Kings Of Indigo and transparency	50
Goals for transparency	51

## 6

### Corporate Goals

Donations	52
Diversity	53
Social impact & employee engagement	53
Corporate goals	54

# INTRODUCTION TO THE REPORT

**We proudly share our newest sustainability report. It covers the calendar year 2022, which includes our collections Spring/Summer 22 and Autumn/Winter 22. It is also a reflection on goals that were reported in our last Sustainability Report 2020 – 2021.**

At Kings Of Indigo, we highly believe in a holistic approach to sustainability. This covers the complete spectrum; care for the planet, the people that make our products, work towards circularity and being transparent. We aim to produce high quality items, that can stay in use for as long as possible, made with low impact materials. We focus on being boldly transparent, leave no stone unturned and only work with suppliers that also believe in this approach. We also communicate the parts that are not perfect yet. And our consumers can find complete supply chain and product information through a QR code on the hangtag of their products so they can make informed decisions when buying.

2022 has been quite a rollercoaster for our organization. With even a bankruptcy, and luckily a restart at the end. But let's also not forget that we celebrated our 10-year anniversary this year! Some reprioritizations were also made in the CSR field, of course without lowering our standards. You can read all about it in this report.

## **Note from our Queen of CSR**

I joined Kings Of Indigo little over a year ago, in March 2022. My personal journey towards sustainable fashion started around the same time that the company was founded. It was one of the first brands on my radar. So, you can imagine how cool it is to now actually be part of the team myself and contribute to the sustainability efforts.

For 2023, we will of course be reflecting on all our past efforts, after the recent restart. My personal biggest goal is moving Kings Of Indigo in a more circular direction for the future, and being transparent along the way, sharing more of our journey. I'm looking forward to tackling some exciting challenges, together with the K.O.I team.

Any questions regarding this report or our approach to sustainability?

Contact our Queen of CSR; Nikki Bosboom – [Nikki@kingsofindigo.com](mailto:Nikki@kingsofindigo.com)



# ABOUT KOI

## DOING IT RIGHT

### OUR PLEDGE

'Doing It Right' is our pledge, to do right by the planet and those we share it with. That means: no humans nor animals harmed, and every garment made with a conscience. No fast fashion. No greenwashing.

We have been sustainable since day one, you can say it's truly in our DNA. But the way we do it will be evolving, as the industry and technologies further develop.

Towards a brighter, better future for us all.

### OUR TEAM & WORKPLACE

Kings Of Indigo is an international operating sustainable denim brand, with a headquarter based in Amsterdam. At the time of writing this report, the K.O.I team consists of 14 fixed employees. Ten of them (71%) identify as female and four (29%) identify as male. Besides this, we have two interns. Together, the team represents five different nationalities.

The end responsibility for CSR lies with one team member. But all employees are committed to sustainability, and there is close collaboration with design, production, marketing, and management.

We work closely together with our colleagues at our warehouse in Apeldoorn, and our international agents.

K.O.I HQ Gender split

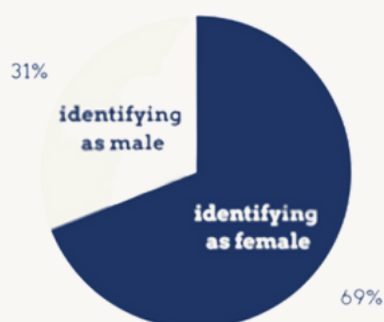


Figure 1 Kings Of Indigo HQ gender split



Figure 2 Kings Of Indigo nationality representation

# OUR SUSTAINABILITY STRATEGY

The figure below covers the most important parts of our vision on sustainability. This is what it means for us to do business in a (more) sustainable way and to make sustainable products. This does not mean that everything is in place yet, we've learned that we can't achieve everything at once and need focus. Of course, we also make efforts on a more corporate level. You can read all about it in the following chapters.

To summarize: We care about making high quality, **durable** garments with timeless designs, that don't have to be replaced often and educate and inspire our conscious consumers about possibilities for **lifetime extension** of their loved K.O.I pieces. Products should be designed using **low impact materials** and processes, and in such a way that, when they do reach the end of their lifetime, they can be **easily recycled** with minimum degradation. All contributing to the goal of a **circular economy**. We build on long-term relationships with suppliers that all have a valid social audit to **ensure fair practices**. **Transparency** is always the backbone of our strategy. Together with a continuous **due diligence process**, this gives us insights into our impact, risk factors and the possibility to prioritize our actions. In the end, all these factors are connected in our sustainability strategy.

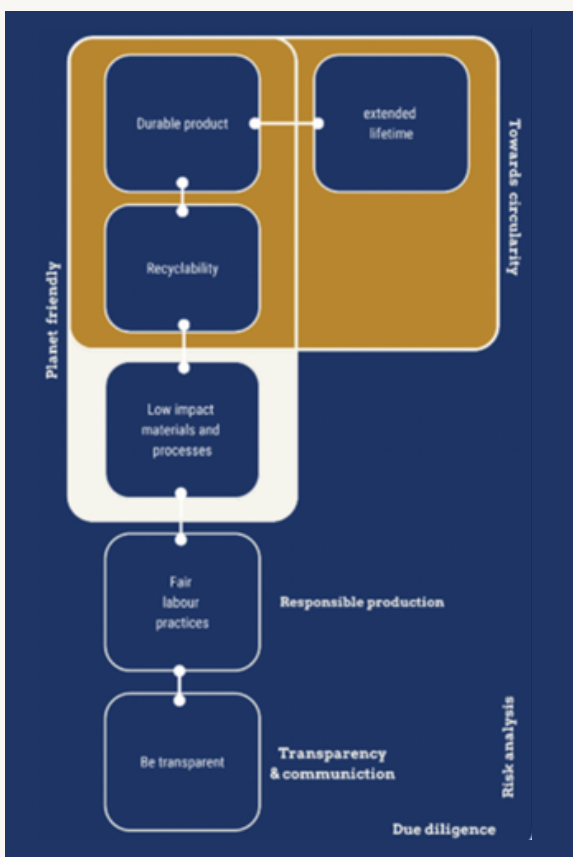


Figure 3 Kings Of Indigo sustainability strategy

# RESPONSIBLE PRODUCTION

Most of the time, when talking about sustainability in fashion, we think about doing business in a way with minimal harm to our planet. We may hear less about social compliance, which is at least equally important. But since it is not measurable like environmental impact, it is experienced as more complicated. Our clothes are made by people. When we claim that a product is 'made with care,' it implies a concern not just for the product but also for the health and safety of the workers. This chapter describes common risks in our industry and Kings Of Indigo's practices to strive for safe and healthy working conditions.

## DUE DILIGENCE

There are environmental and social risks associated with the industry we operate in, our supply-chain and our business model. Customers, governments, and civil society organizations expect that companies do business with respect for people and the planet. Internationally this is laid down in the OECD Guidelines for Multinational Enterprises (1).

Due diligence is a continuous process that we as an enterprise should carry out to identify, prevent, mitigate, and account for how we address actual and potential adverse impacts (risks) in our own operations, supply chain and other business relationships. To be able to do this, getting insights into our production locations, used materials and processes is a necessity.

## RISK ANALYSIS

We use risk analysis as a method to identify hazards and risk factors that have the potential to cause harm (2). We draw from known sector and sub-sector risks to determine the likelihood of risks and severity of harm in our own operations and supply-chain, and relevance for Kings Of Indigo. Based on countries that we operate in, the type of products we produce, the materials we use and our own business- and sourcing practices.

# SECTOR RISKS

The risks that are prevalent in the garment and footwear industry globally across product lines and geographies include, but are not limited to:

HUMAN RIGHTS AND LABOR RISKS	ENVIRONMENTAL RISKS	INTEGRITY RISKS
<ul style="list-style-type: none"><li>• Child labor</li><li>• Discrimination</li><li>• Forced labor</li><li>• Occupational health and safety</li><li>• Freedom of association</li><li>• Non-compliance with minimum wage laws</li><li>• Wages do not meet basic needs of workers and their families</li></ul>	<ul style="list-style-type: none"><li>• Hazardous chemicals</li><li>• Water consumption</li><li>• Water pollution</li><li>• Greenhouse gas emissions</li><li>• Energy use</li></ul>	<ul style="list-style-type: none"><li>• Bribery and corruption</li><li>• Animal welfare</li></ul>

Table 1 Sector risks (3)



# COUNTRY RISKS

Country risk factors are conditions in a particular country which make the earlier mentioned risks more likely. To identify those risks, it is important to first create an overview of all the countries our business partners are based in. We analyzed the production countries and their risks per tier. See an overview of the division of tiers in our supply chain below.

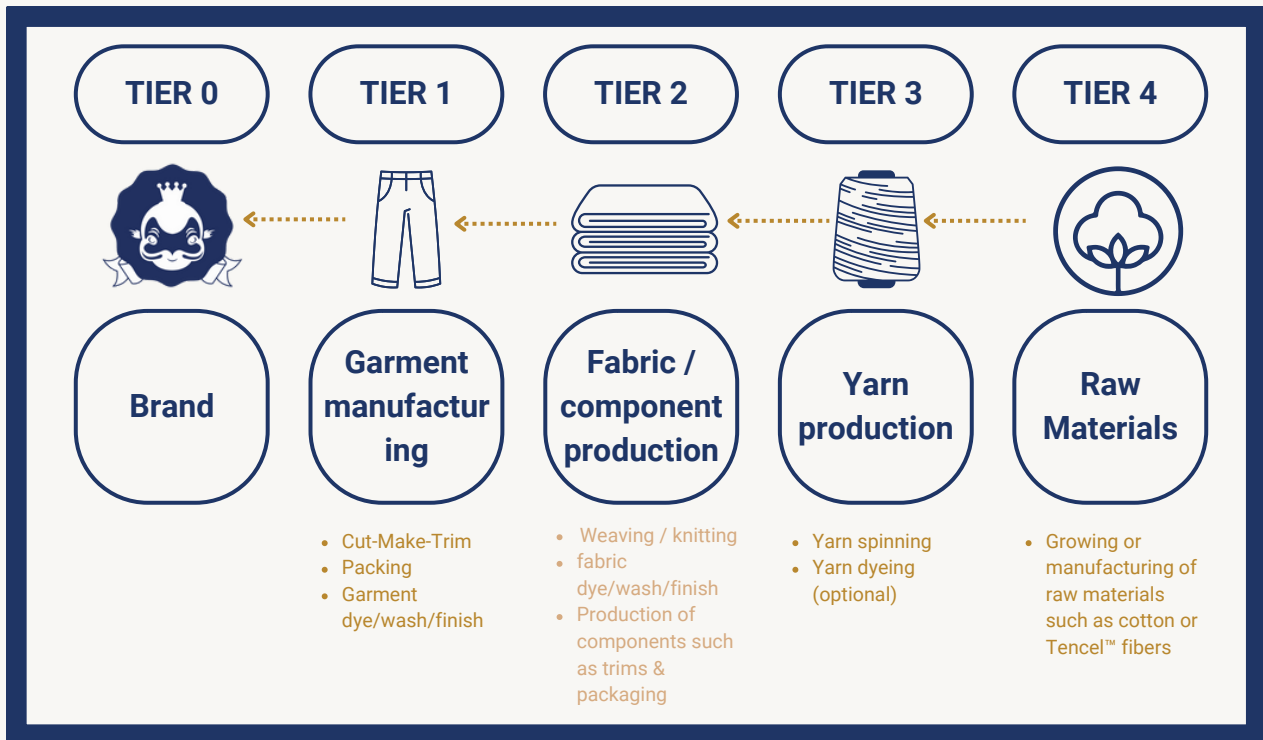


Figure 4 Overview of supply chain and tiers

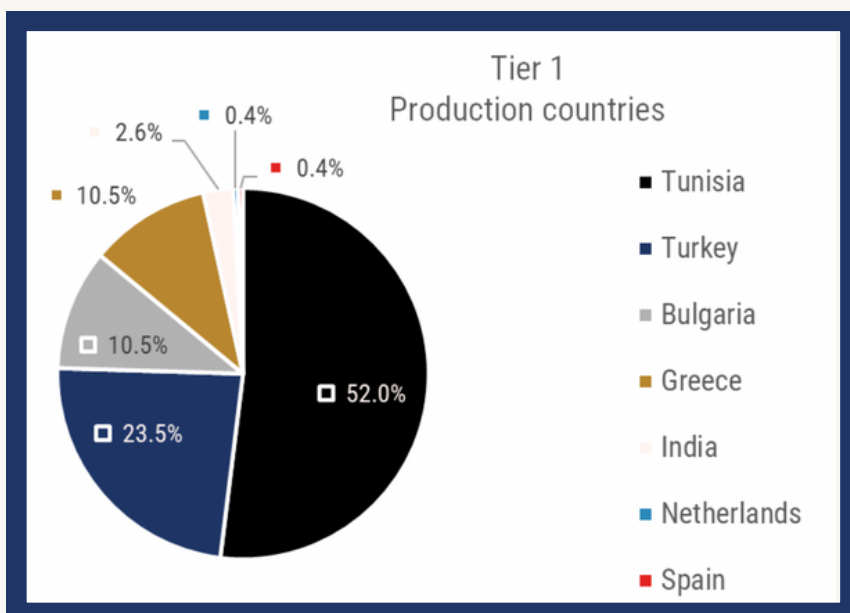


Figure 5 Tier 1 country breakdown. Based on order volumes for SS22 and AW22 combined

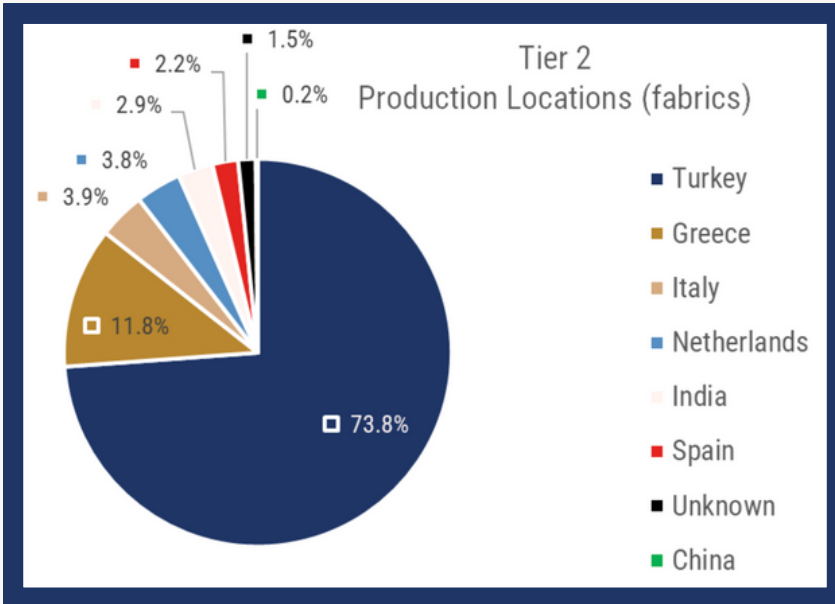


Figure 6 Tier 2 country breakdown. Based on order volumes for SS22 and AW22 combined

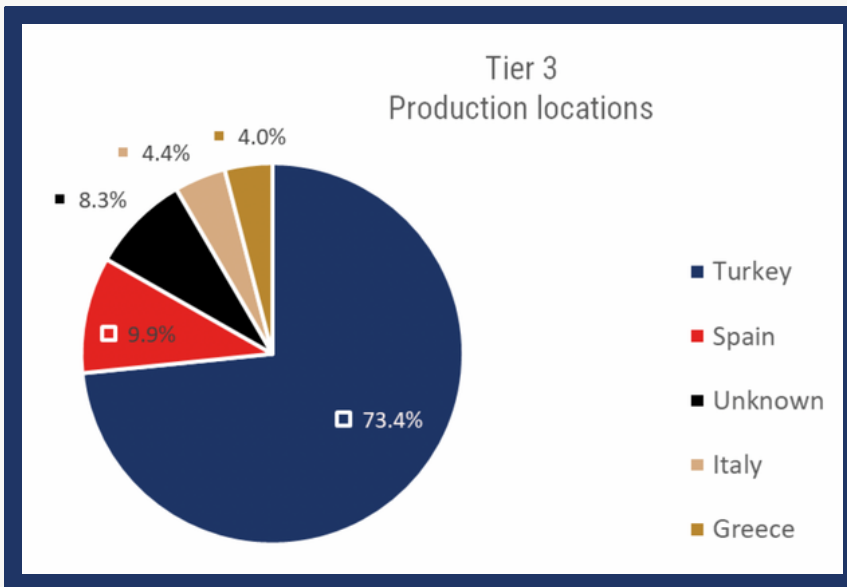


Figure 7 Tier 3 country breakdown. Based on order volumes for SS22 and AW22 combined

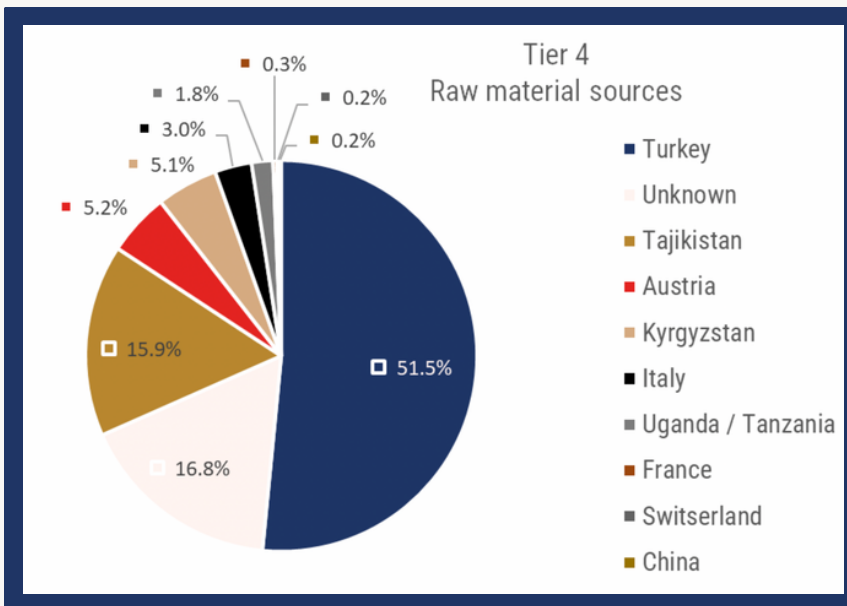


Figure 8 Tier 4 country breakdown. Based on order volume and product weight, for SS22 and AW22 combined

# COUNTRY RISKS PRODUCTION

In 2022, Tunisia was our biggest tier 1 production country. But AW22 was the final complete production season with this supplier and in this country, which is why we don't focus on Tunisia in this report looking forward. Most of the production we had at this location, will move towards our suppliers in Turkey, which already accounts for more than 1/4th of our tier 1 production countries but this will only grow (estimated 70%) in the coming seasons. A big share of the fabric and trim suppliers we work with, are also located in Turkey, and this is also where more than half of our raw materials are sourced from (see big shares in figure 6, 7 and 8). This makes Turkey our most important sourcing country, it's therefore obviously important to look at country related risks.

It is part of our strategy to source not only the ready-made garments as locally as possible, but also other processing steps and materials in the same area. In 2022, 12% of our production is sourced completely from **Turkey**. This way we avoid unnecessary impact from transport. As mentioned earlier, starting from next year, Turkey becomes an even more important sourcing country for Kings Of Indigo, so this percentage will only grow and decrease our environmental impact.

Next is our supply-chain in **Bulgaria and Greece**. These are both considered as low-risk countries, but we will elaborate on them as well.

Only a few percent of our total production on yearly base is sourced from **India**. While this is a relatively low share, India is considered a high-risk country which cannot be ignored.

# COUNTRY RISKS TURKEY

The garment industry is Turkey's second largest industry. The country has a close relationship with the European Union and is familiar with many international workplace standards. But improvements are still needed in many aspects of its labor conditions.

Small and medium-sized factories with a wide sub-contractor chain are the norm across the country and working conditions typically get worse down the supply chain. The result is widespread **unregistered employment**. This means countless workers who are left without access to social security, job security or the ability to organize and advocate for themselves by forming a union. Turkey is also home to the world's largest **refugee population**, who are often **illegally employed**. Overall Turkey knows a relatively high minimum **wage**, but this does not yet make a living wage. The **inflation** rate has been notably high in 2021 and 2022 (4) (5).

# COUNTRY RISKS INDIA

The **development level** differentiates between regions in India. The Southern part is more developed which results in higher wages. Young **migrant workers** travel to the south to find work, which often happens on illegal documents. Migrant workers are a vulnerable group since they often don't speak the local language which can be taken advantage of.

**Gender-based violence** is not uncommon in Indian culture, which reflects on the work floor as well. Also, wages are big issue in the garment industry in India. In general **wages** are low, workers are responsible for not only themselves but for their family, they are paid late and overtime and off-days are not always compensated (6).

# COUNTRY RISKS BULGARIA & GREECE

Our knits supply-chain is based across Bulgaria and Greece. These are in general considered as low-risk countries, but there are still some notable risks present (7).

Bulgaria's overall risk has slightly improved over the last years, but some risk indicators remain present.

- **Corruption** hampers business and investment. Although the legal and regulatory framework is generally supportive of property rights and private business, property rights are not always respected in practice. Jurisprudence is inconsistent, and the judiciary is the least trusted institution in the country. The police have been accused of misconduct, including arbitrary arrests and the justice system is vulnerable to political and outside pressure.
- **Ethnic minorities**, particularly Roma, face **discrimination** in employment, health care, education, and housing. Migrants and asylum seekers are also at risk with reported beatings and extortion from the Bulgarian government.
- **Discrimination based on sexual orientation or gender identity** is illegal, but societal bias against LGBT+ people persist.

According to Amfori, Greece became a Risk Country in 2018, but the score has increased in the last 2 years and is now a low-risk country. Same as for Bulgaria, there are some topics to keep in mind when doing business.

- The Greek debt crisis formally ended in 2018 but the government still faces an enormous level of general **government debt**. At the same time **tax corruption** and evasion has been a serious problem.
- Violence **targeting immigrants, refugees, and LGBT+ people** remains a problem. The Romani minority is also subject to discrimination despite legal protections. The new penal code lengthens sentences for racist crimes.

# PRODUCT / MATERIAL RISKS

Some products and their materials hold a higher risk compared to others, due to the materials and processes used to make them. Looking at our own product range, below are the most important potential risks we identified:

## 1 JEANS

As a denim brand, jeans are our most important product type, accounting for more than 60% of our product range in 2022. The conventional production processes for jeans (mostly washing and other 'wet processes') are impactful when it comes to water, energy, and chemical use. Luckily, we found strategic partners that care about the planet as much as we do. They work with innovative processes and always keep an eye open for new developments, read about this in the Planet Friendly chapter.

## 2 CUT-MAKE-TRIM (CMT)

Is the most labor-intensive part in our supply-chain. Which automatically means a relatively high potential for social risks. We are in direct contact with our CMT suppliers. Read about our responsible production practices further in this chapter.

## 3 COTTON

Our most used material (almost 80%). Conventional cotton is related to high environmental impact because of the use of pesticides and high need for water, and social risks in countries where cotton is still handpicked. This is why we avoid using conventional cotton. Even though we only buy more sustainable options like organic and recycled, these materials still have an environmental impact. Read about our material choices in the Planet Friendly chapter.

## 4 SYNTHETICS

Some of our products still contain some synthetic materials, like polyester or elastane, for extra strength or stretch. These materials come from non-renewable sources with a high environmental impact. Blended with other materials they negatively influence recycling and circularity in general.

# BUSINESS-MODEL RISKS

It is important to look at our own business practices as well. In general, for highly diversified product lines, more risks may occur due to a variance in materials, product types and processes. The same goes for a high number of collections or drops a year, these generally require shorter lead times, last minute changes and pressure on suppliers and unauthorized outsourcing, which may cause harm for labor- and human rights, such as excessive working hours. At the same time, this will lead to an increased use of resources and therefore environmental footprint.

## ROYAL CORE

We believe in timeless designs and always have our Royal Core collection with classics that are here to stay and don't change seasonally (they do get an upgrade when we the fit or quality can be improved). Our suppliers are familiar with production of these styles. The Royal Core items form a never out of stock collection, which gives the consumer the opportunity to make a non-rushed, informed and therefore more durable buying decision.

## FACTS ABOUT OUR SS22 AND AW22 COLLECTION

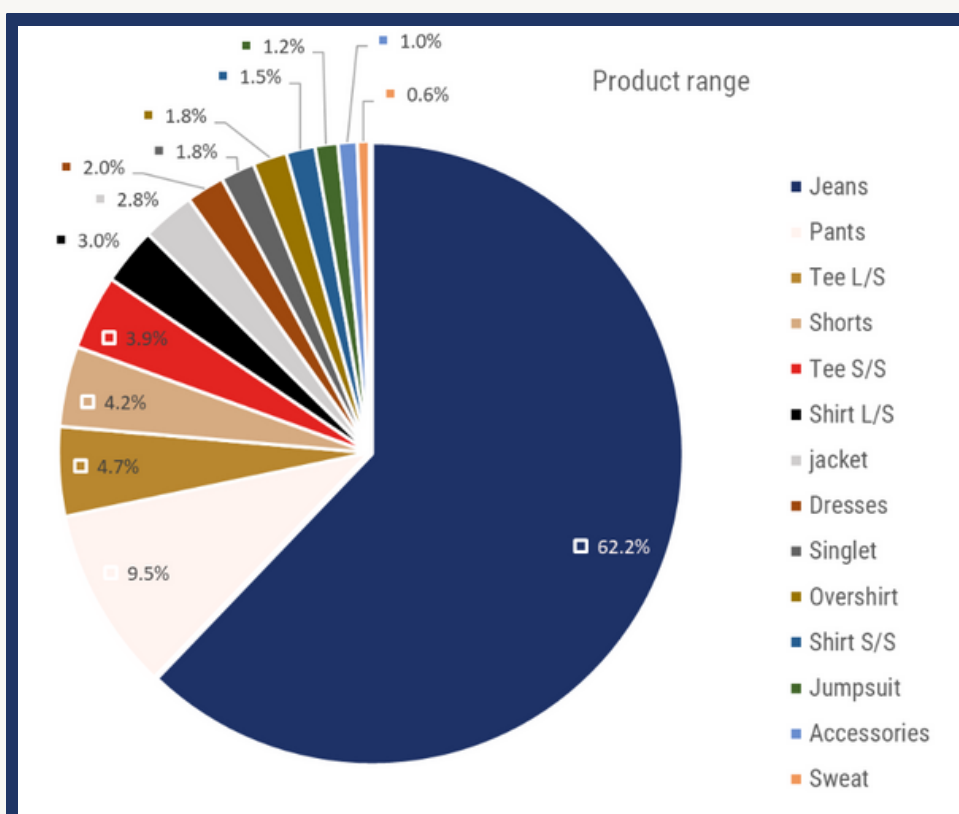


Figure 9 2022 product range

<b>Jeans</b>	60 %
<b>Royal core</b>	21 %
<b># of seasons per year</b>	2
<b>Women styles</b>	58 %
<b>Men styles</b>	41 %
<b>Unisex styles</b>	1 %

*Table 2 collection analysis 2022*

## SOURCING MODEL RISKS

For the sourcing strategy, a high number of production countries may cause difficulties, because it's harder to keep track of local circumstances and changes and more exposure to harm in general. The same goes for a great number of suppliers. There is less visibility, and it is more difficult to control, especially when there is no direct sourcing or contact with all of them.

<b># Tier 1 suppliers</b>	7
<b># Tier 1 sourcing countries</b>	7

*Table 3 division of suppliers and sourcing countries in 2022*

We are in direct contact with most of our tier 1 (and tier 2) suppliers. In Greece and India we work with a sourcing agent.

# KINGS OF INDIGO RESPONSIBLE PRODUCTION PRINCIPLES

It is at the base of our principles to strive to be a fair and reliable business partner and build long-term relationships with our suppliers, that are based on mutual trust. We aim for increasing the collection at a supplier instead of spreading this over several production locations. We prefer direct partnerships and contacts over constructions with agents and subcontractors. This allows us to grow together on performance and efficiency level and makes it easier to identify risks and act on them when necessary.

When we start a relationship with a new supplier, we set requirements and follow certain steps:

- Suppliers are asked to fill in our supplier questionnaire to gain insights into the sustainability efforts of the factory. This includes general questions regarding the locations and activities of the factory, as well as questions regarding social and environmental standards and policies.
- Suppliers are expected to operate according to our Code Of Conduct, which lays down minimum requirements we expect from suppliers, but also emphasizes our own responsibility when sourcing and buying. This is aligned with international standards for our industry such as the International Labour Organisation (ILO) and OECD guidelines. We have updated our CoC in 2022 and it is [publicly available](#).
- CMT locations should have a valid social audit in place and able to share the report with us. Accepted standards are: Fair Wear Foundation, Amfori BSCI, SEDEX SMETA.
- All partners should be open to be transparent about production locations, including subcontractors or material suppliers. We are transparent in return.

## LIVING WAGE

When talking about responsible production, an important topic is wages. Unfortunately, a minimum wage in our industry is in a lot of cases not the same as a living wage. The latter is the income that is necessary for a worker to meet their basic needs (food, housing, healthcare etc.) In production countries, the minimum wage is set by the government and is often much lower than a living wage. In other cases, the minimum wage is high enough in theory but not applied or enforced in practice, or wages are received too late. To earn enough to survive, employees must work very long hours, putting their physical and mental health at risk. This may also result in taking children out of school and put them to work to earn enough for the family.

A living wage is therefore an important human right, also because not paying it often has negative consequences for other human rights (child labor, a safe and healthy workplace, overtime, and freedom of association).



# LIVING WAGE PROJECT IN TURKEY

As a brand, we don't pay salaries directly to the people that make our clothes, because we do not own the factory. We pay our suppliers per garment that we order from them. These prices need to be fair (negotiated through dialogue and transparent price settings via open costings). We need to know more about the link between buying prices and wage levels in the factories.

To bridge the gap between minimum wage and living wage, we have since 2021 teamed up with like-minded brands ARMEDANGELS, Nudie Jeans and MINI RODINI and started a unique pilot project to realize living wages for the workers at our shared supplier, Mergü, in Turkey. Our supplier is highly motivated and has done extensive research to implement this project. Due to the collaborative approach, we were able to make a real difference for all production workers at Mergü.

## LOOKING FORWARD

As mentioned at the start of this chapter, we want to ensure that every garment is 'made with care' and strive for safe and healthy conditions for workers at our suppliers' factories. Wages are important to reach this goal. In our current situation of working hard on a restart after a bankruptcy, we simply cannot guarantee this. We must create a (financially) stable organization before we can make these investments again. We use the learnings from this project and will re-evaluate in the future. In the meantime, we will be in touch with our suppliers to gather insights into their current state of wages and possible wage gaps. Gaining this information is the first step towards making changes.

## GOALS FOR RESPONSIBLE PRODUCTION

Responsible production and social compliance are high on our priority list. It is our base principle to create good products, with the people who make them in mind. After 2021 we ended our membership with the Fair Wear Foundation. At this moment, all factories we work with still have a valid social audit for one of the earlier mentioned accepted standards.

Since we will start working with new suppliers from 2023 on, it is high priority to move towards a sturdier social compliance system. This is why it is one of our goals to research all the social compliance initiatives to see which one fits our company best and become a member.

Goal	Timeline	Responsible department
Create top three list of social compliance initiatives to join	2023	CSR
Become a member of a social compliance initiative	2024	CSR
Have clear insight into social principles at all of our fabric suppliers and other factories past tier 1	2024	CSR
Have a clear insight into wages and wage gap at our (tier 1) suppliers	2024	CSR

*Table 4 Goals for responsible production*

# PLANET FRIENDLY

When you are reading this report, you probably are familiar with the Paris Agreement (8). To limit negative impacts of global warming, we need to drop at least 1.5 degrees Celsius by the end of this century. According to the recent IPCC publication, despite progress made over the past years, it is likely that global warming will exceed the 1.5°C during the 21st century (9) (10). This emphasizes the urgency of climate action. It is no secret that fashion is a worldwide polluting industry. Research conducted by McKinsey indicates that the textile industry contributes approximately 4% of global greenhouse gas emissions (11) As a clothing brand, we need to clean up our act. Here is how we approach that.

## DURABILITY

We produce high-quality, durable products that can stay in use for as long as possible, with a timeless design and don't move with fast fashion trends.

***"It's only sustainable if it lasts"***

Already in 2012, WRAP (The Waste and Recourses Action Programme) published a report looking at the environmental impact of the complete journey of clothing. Including raw materials, manufacturing, purchase, use and disposal. All of these steps have a significant impact, but the report shows that extending the active life of a garment is the single most effective way to reduce this impact.

***'Extending the average life of clothes by just three months of active use per item can lead to a 5-10% reduction in each of the carbon, water and waste footprints.'***  
**(12)**

A 2019 report by Mistra Future Fashion even shows that if a garment is used twice as many times before disposal, almost half of the impact is reduced (13). It's simple; when existing clothes are used longer, they can be replaced less frequently and fewer new ones (including their materials, production processes, transport and so on) are needed. But to be able to achieve this, the quality of the average garment has to be improved, shopping habits and business models need to be adjusted.

When the durability of a garment allows for it to be in use longer, the impact per wear goes down. Let's show this with an example for one of our jeans.



Figure 10 Cost Per Wear example

This shows us that even though the impact of the use phase goes up (due to increase in home laundering and potential ironing and drying), the impact per wear decreases when the garment is worn more often.

These calculations are made with data from our Kings Of Indigo | Life Cycle Assessment | 2021 (14). Based on one of our woman's jeans – JUNO MEDIUM STAY BLACK RINSE. It's assumed that a pair of jeans is worn 10 times before it's washed (15).

## KINGS OF INDIGO QUALITY STANDARDS

To assure certain quality standards, we require test results from our fabric suppliers, related to e.g. strength, elasticity and color fastness. There are also design and development decisions that we made, purely for durability reasons. This involves adding bar tacks and rivets, keeping a pocketing fabric and sewing threads that contain recycled polyester, all for increased strength.

# PHYSICAL DURABILITY VS EMOTIONAL DURABILITY

Denim is naturally associated with durability due to the hard-wearing physical properties of the fabric. Jeans are a closet essential, praised for its natural ageing characteristics and molding to the body. The first has impact on the physical durability, while the latter also plays a part in the emotional durability, both are equally important from a sustainability perspective (16) (17) (12).

- Physical durability: considers garment construction and component reinforcement to create products that can resist damage and wear, as mentioned earlier in this chapter.
- Emotional durability: considers the product’s ability to stay relevant and desirable to the user, or multiple users, over time. Being emotionally attached to a garment, will also make the user care for it more and better, which will in its turn positively influence the physical durability.

## GOALS FOR DURABILITY

It is at the core of our CSR strategy and production process to create high quality products. But we must admit that our process to achieve this is not completely set in stone. We want to be able to substantiate durability claims not only on fabric level but also for the final product. That is why we set below goals for the coming period.

Goal	Timeline	Responsible department
Set minimum quality requirements for K.O.I products	2023	Product
Set up a product quality manual	2024	Product
Sharpen communication strategy by focussing on storytelling and improving emotional attachment	2023 - 2024	Marketing

Table 5 Goals for durability

# CONSUMER ENGAGEMENT

Consumers have a lot of power when it comes to sustainability. Which products do they buy, how long do they use an item, how do they care for it, and what happens when they no longer want or need it? There is a key opportunity, and general responsibility for us as a brand to educate, inspire and empower our consumers.

## COST PER WEAR

There should be an incentive to stimulate investing in long-lasting pieces. For instance, in 2022 a pair of Kings Of Indigo jeans cost on average €138,- (full price). For most customers, this is a big investment. It is therefore interesting to look at the 'costs per wear' of an item (18) (19). This means, dividing the price you pay by the number of times you wear an item. You can wear your durable items longer, which makes the cost per wear go down, and you avoid having to buy a second pair. Let's look at another example:



Figure 11 impact per wear example

You buy our JERRICK CLEAN RECYCLED GREY USED, for €159,99,-. You wear it on average two times a week for each week of the year. This means 104 wears in the first year after you buy the jeans, which will cost you €1,54 every time you wear it.

You keep it for another year, the quality is good, and it still suits your style. But you wear it now only one time every week, so another 52 times, making it 156 wears in total over two years. This makes the cost per wear go down to €1,03 every time you wear it.

In the third year, you only wear it less frequently and only in the colder months. Let's say another 30 times, making 186 wears in total over 3 years. It will now only cost you less than 90 cents for every wear! Of course, we hope you love your jeans and keep them in use for even longer.

# USE AND CARE

The use phase of a garment, including laundry, ironing and drying, accounts for 15 – 20% (11) (14) of the climate impact. How consumers use and care for their garment also has an effect of the durability of their favorite Kings Of Indigo item. We educate not only about being conscious when purchasing a new garment, but also about what comes next.

We always advise to wash a product as little as possible, inside out, at low temperatures, don't use more detergent than necessary, and avoid using a tumble dryer. This way the product will keep its quality and you avoid environmental impact, a win-win!

Denim is also perfectly fit for personalization and upcycling. A stain that can't be removed or a small hole? Put a patch on it or add embroideries! More visible damage or just up for something completely new, make a short out of a full-length pair of jeans.



Figure 12 Example of visible mending on a pair of K.O.I jeans  
 Figure 13 Kings Of Indigo Care label

# GOALS FOR CONSUMER ENGAGEMENT

We realize the importance of educating and engaging our consumers, not only on the impact of their favorite products, but also on using, caring and lifetime extension. Making them feel like part of the Kings Of Indigo community, offering more of a service and not only a product. Further in the report are more topics and goals that are also related to consumer engagement.

Goal	Timeline	Responsible department
Communicate and inform about the power that consumers have when buying, using, and caring for their garment. Including a dedicated and updated Use & care page on our website.	2023	Marketing

Table 6 Goals for consumer engagement

# PLANET FRIENDLY MATERIALS

Since Kings Of Indigo started production in 2011, we have never compromised on sustainable materials. Studies suggest that more than one-third of the harmful climate impact over a garment’s lifetime comes from the raw material stage – this is because of the vast amounts of energy, water and chemicals that are used to create materials such as polyester and cotton (11).

We developed the Kings Of Indigo Material Benchmark as a tool for the KOI team when making decisions on raw materials. Classification of the fibers is based on; publicly available data, the Kings Of Indigo LCA and expert guesses when not enough data is available. The benchmark was latest updated in January 2023. In 2022 we used 99,2% more sustainable materials in our collection. The other 0.8% consists of virgin synthetic materials.

Fiber type	Class 1	Class 2	Class 3	Class 4	Class 5	BANNED	UNCLASSIFIED
<b>NATURAL FIBERS</b>	RECYCLED COTTON	ORGANIC COTTON REGENERATIVE COTTON LINEN HEMP KAPOK	ORGANIC *IN CONVERSION COTTON			CONVENTIONAL COTTON BAMBOO	
<b>MAN-MADE CELLULOSIC FIBERS</b>	TENCEL™ LYOCELL REFIBRA™ SHUCHI™	TENCEL™ MODAL LENZING™ ECOVERO™	BERBERG™ (cupro)			CONVENTIONAL VISCOSE CONVENTIONAL MODAL	CHEMICALLY RECYCLED COTTON
<b>SYNTHETIC FIBERS</b>		RECYCLED POLYESTER RECYCLED POLYAMIDE (SCORYLE) BOICA™ V550 DUPONT™ SORONA II POLYLANA II	LYCRA® T4000 EcoMade BOICA™ EF	LYCRA® EcoMade	VIRGIN ELASTANE	VIRGIN POLYESTER VIRGIN POLYAMIDE	RECYCLED POLYACRYLIC
<b>ANIMAL FIBERS</b>	RECYCLED WOOL					VIRGIN WOOL SILK ANGORA SILK (PEACE SILK) LEATHER	
<b>OTHER</b>							B210 TECHNOLOGY BIOSYNTHETICS

Figure 14 Kings Of Indigo Material Benchmark 2023

## A LOOK AT MATERIAL USE IN 2022

Let’s have a look at our material use in 2022. The overviews in this chapter are based on order quantities and article weight. A first division between different fiber types makes it immediately clear that cotton is with 82% by far our most used fibers.

The division ‘other natural fibers’ consists of hemp and linen and covers 6%. MMCF stands for ‘Man-Made cellulosic fibers,’ covering 5% and consists of different types of Lenzing fibers. Synthetics is a combination of both virgin and recycled fibers, mostly polyester and elastane. The smallest share of 2% belongs to animal fibers, which includes only recycled wool fibers.



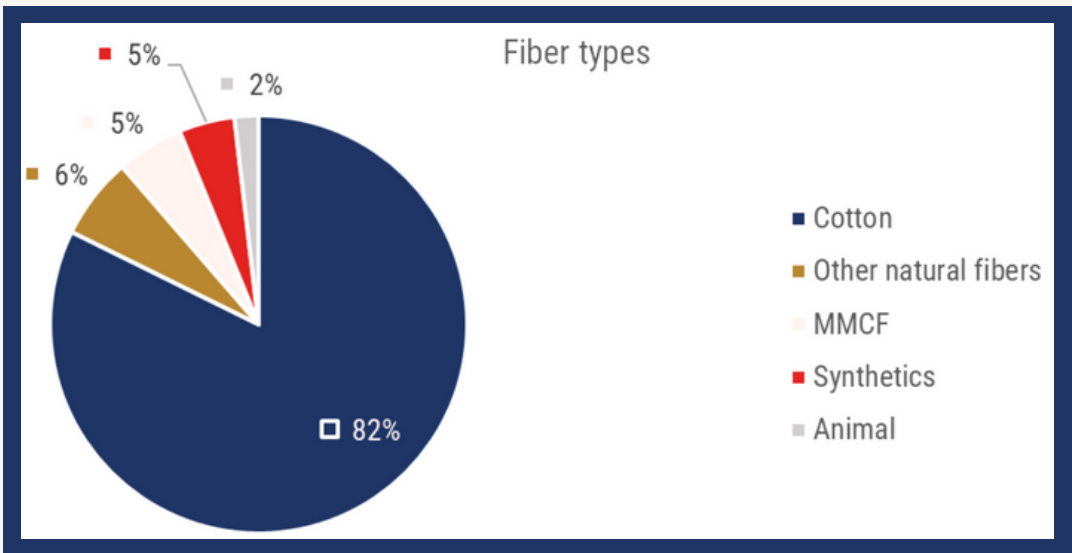


Figure 15 division of fiber types in 2022

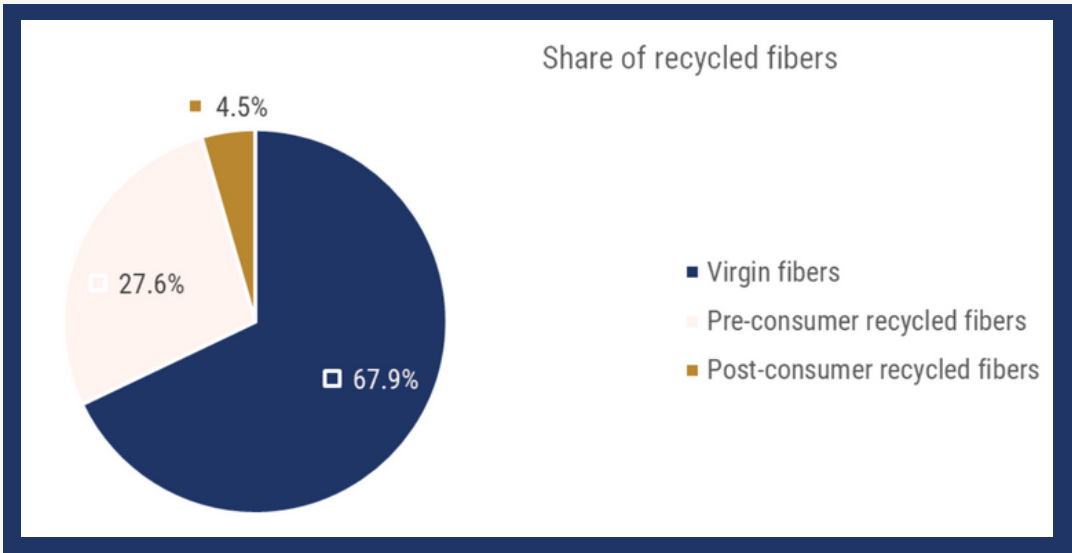


Figure 16 Share of recycled fibers in 2022

Recycled fibers make up an important part of our material strategy and we focus on increasing the amount, which is currently at 32%, specifically the post-consumer share. Included in the recycled fibers are recycled cotton (both pre- and post), recycled polyester (both pre- and post) and small shares of recycled elastane, polyamide, and wool.

# EXPLANATION OF OUR MOST USED MATERIALS

## COTTON

Cotton is the most used plant-based fiber in the fashion and textile industry (22% in 2021) (20) and the most important material in our collection (over 80%). Our cotton products always contain either organic or recycled cotton, instead of conventional.

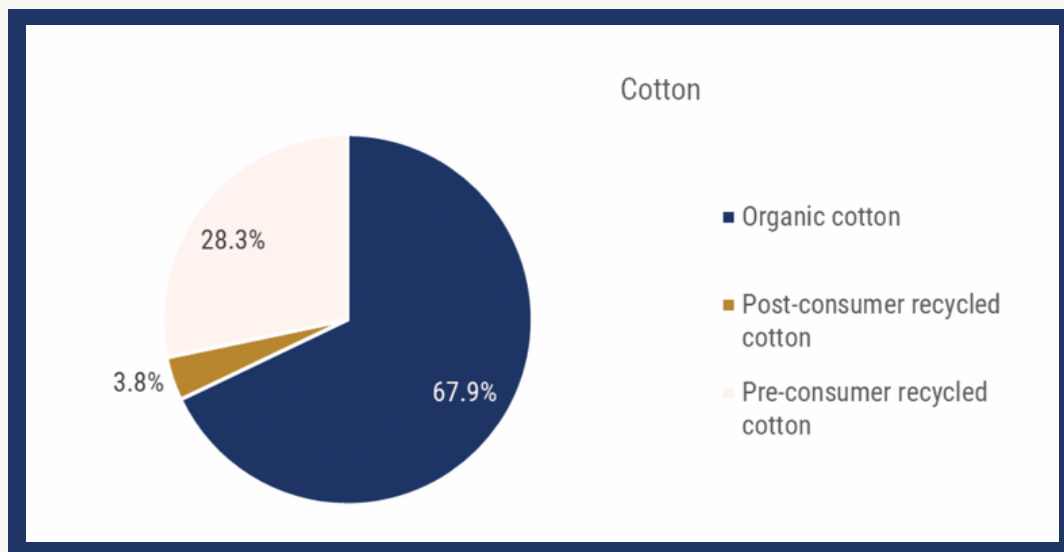


Figure 17 cotton division in our 2022 collections

<b>Conventional cotton</b>	<b>Organic cotton**</b>	<b>Recycled cotton (pre- and post-consumer) ***</b>
Water intensive	Up to 90% less water use*. Mostly grown in rain-fed regions	Decreasing the demand for virgin raw materials
Toxic pesticides and chemical fertilizers	Toxic chemicals and synthetic fertilizers are prohibited	Contributing to circular economy
Decreasing of soil health	Increased soil health. (crop rotation and no chemicals)	Completely leaving out the impactful cultivation step, including, water use, chemical use, demand for land, and climate impact
High impact on global warming	Estimated 46% lower contribution to global warming. Healthier soil can absorb CO2 better (21).	
Genetically Modified seeds	Genetically Modified seeds are prohibited – contributing to better biodiversity	
Possible bad working conditions, no fair payment for farmers	In general better working conditions	
	Farming practices focus on long-term improvements and resilience instead of short-term results.	

*Table 7 comparing different types of cotton*

# ORGANIC COTTON

\*To put a specific number to water-use for both conventional and organic cotton is a difficult task. This is because the need for irrigation water is highly dependent on the region where the cotton grows and how it is treated. Also, there is not enough reliable public research and data available. Current available data shows us that organic cotton can save up to 91% of the water needed for cultivation, because the crops are mostly rainfed, but we should be careful with these numbers.

\*\*While we are not certified as a company ourselves, we do only buy our fabrics with certified organic cotton (22).

# RECYCLED COTTON

Next to organic, a growing amount of cotton in our collection comes from recycled sources. The impact of this material is lower because the cultivation step is not included. It is also important to implement more recycled materials, when transitioning towards a circular economy.

The recycled cotton we currently use is always mechanically recycled. Because of this process, including shredding of the fibers, the resulting staple fibers that are spun into new yarns are always shorter and lose a bit of strength, which makes using only recycled fibers a challenge.

\*\*\*We distinguish between pre- and post-consumer recycled cotton (23).

# PRE-CONSUMER:

This waste stream includes all fabrics or textile products that have been produced but have not been used by the end consumer yet. This can be originating from fabric clippings, production flaws or overstock. The quality of pre-consumer waste before the recycling process is comparable to virgin fibers, because it's not used yet, the composition is known and it is a homogeneous and clean waste stream. But pre-consumer waste only accounts for 10 – 15 % of the complete amount of textile waste.

## POST-CONSUMER:

These fibers originate from products that have been used or worn by end consumers, before ending up as waste. This is the biggest amount of waste textiles. But it is a more difficult material to work with, since it's not homogeneous, the composition is not always known, it is generally of lower quality and not clean. This is one of the reasons why 100% post-consumer recycled jeans are not possible for us to produce with the right quality yet. We keep an eye out for developments and hopefully this will be reachable in the future.

Our most common composition for 100% recycled jeans is currently 20% post-consumer and 80% pre-consumer recycled cotton.

## OTHER NATURAL FIBERS

We like linen and hemp because both fibers have a low demand for water and synthetic pesticides or fertilizers during cultivation. This versatile fabric is also praised for its durability, that's what we call a sustainable material.

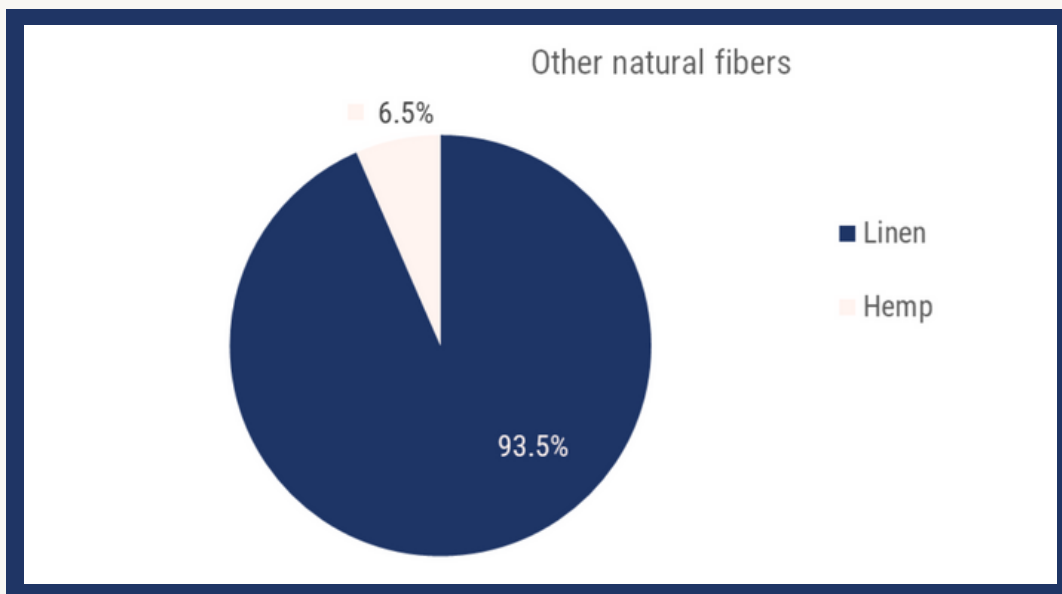


Figure 18 division of other natural fibers

# MAN-MADE CELLULOSIC FIBERS (MMCF)

Man-made cellulosic fibers are made from plant-based materials, but chemically processed into yarns. We work with fibers from Lenzing. These are extracted from sustainably managed forests, biodegradable, produced with renewable energy, chemicals and water are reused and most are certified with the EU Ecolabel.

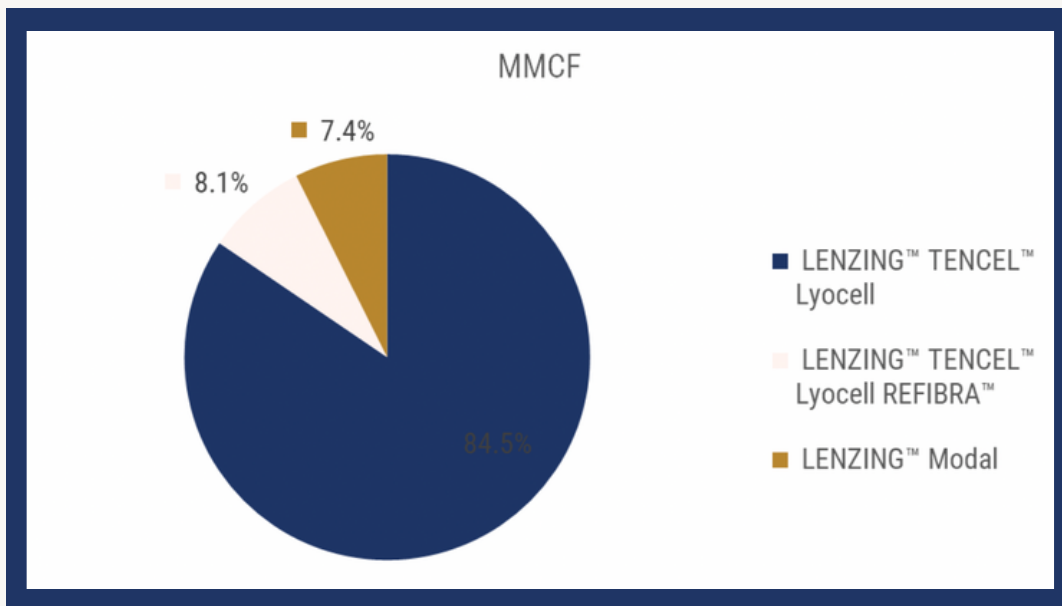


Figure 19 division of Man-made cellulosic fibers

# SYNTHETICS

5% of our total SS22 and AW22 collection is made with synthetic fibers. Below are the fibers within this category. The biggest part, 79,5%, is the share of recycled polyester (pre- and post-consumer combined). Elastane, including virgin and recycled, takes up 11,2% of the synthetic fibers used.

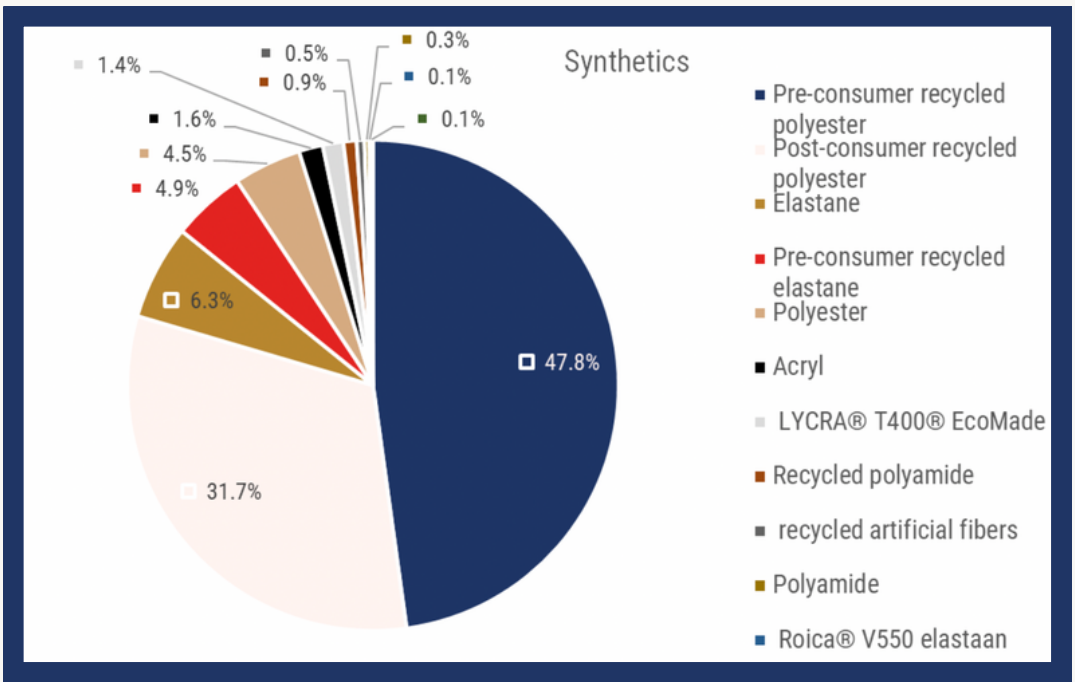


Figure 20 division of synthetic fibers used

By far the biggest share of synthetic materials is already recycled.

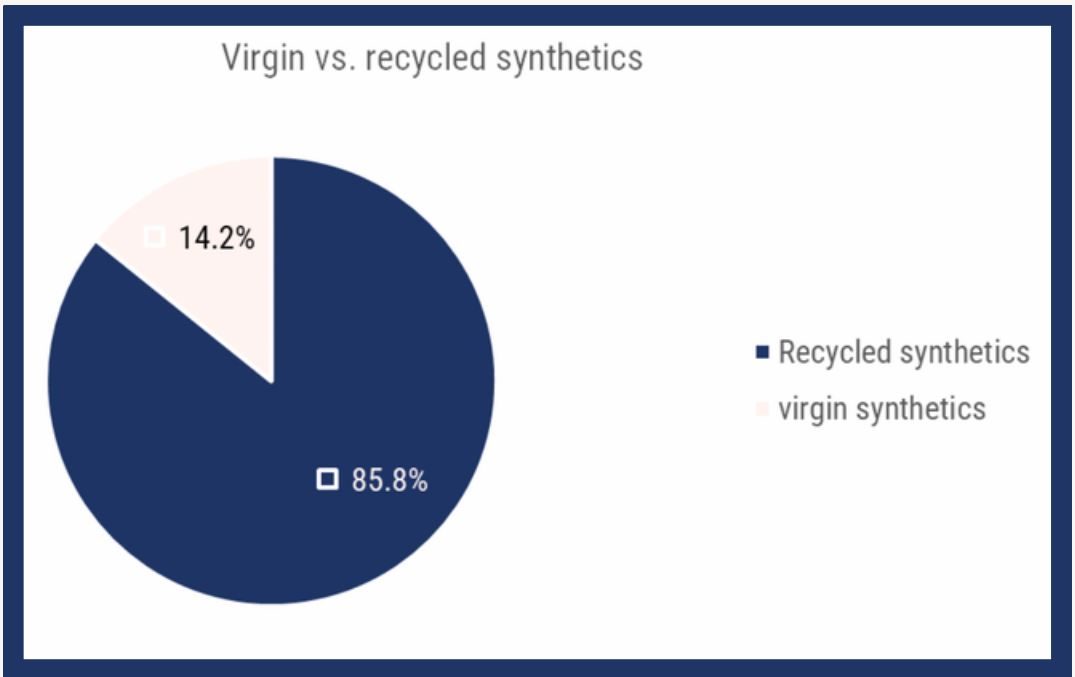


Figure 21 division virgin and recycled synthetic fibers

# ANIMAL FIBERS

With 2%, animal fibers make up the smallest part of our collection. We pledge for vegan production. We have eliminated all leather-based materials. Since 2019, leather patches on our jeans are replaced by a jacron version. Besides, virgin animal-based fibers are a no-go. We do, however, offer a small range of products which contain recycled wool (24) (25).

Next to animal welfare related criticism, virgin wool has a high environmental impact. But wool is also a very durable material, with body temperature regulating and antibacterial properties that in general need less home laundering. Luckily, wool is very suitable for recycling, which has been done for a long time already. This gives us the opportunity to work with this great material, but with a lower impact on the environment. In 2021, recycled wool had a share of 6% in the global wool market (20).

# PLANET FRIENDLY TRIMS AND PACKAGING

Next to textile fabrics, trims are added to our products, and packaging is used for protection and shipping to customers. Of course we also take sustainability into account here.



TRIM OVERVIEW	
Trim	Explanation
Jacron back patches	This is a mostly cellulose based material. A small amount of acrylic polymer is added for strength to withstand multiple washes. Jacron has the appearance of a leather patch without the need for actual animal-based materials. This makes all of our denim vegan.
Organic cotton back patches	For our circular 10 year anniversary jeans, we did a trial with organic cotton patches, to improve recyclability
Metal buttons	Metal buttons are mostly used for our jeans. We have different options sourced from different suppliers. Metal Bottoni buttons are made with 75% recycled materials and no-impact finish. YKK buttons with eco-friendly finishes. Using less water, energy and chemicals. Detachable metal buttons for our circular 10 year anniversary jeans.
Corozo buttons	Non metal buttons are from corozo. This is a cellulosic material derived from corozo palm seeds. This high quality material is renewable and biodegradable.
Zippers	YKK NATULON® zippers with certified post-consumer recycled pet zipper tape.
Woven care labels	Made with 40% organic cotton and 60% recycled polyester. Made in Italy.
Pocketing fabric	Made with 70% organic cotton and 30% recycled polyester. The pocketing is made in Hong Kong, we buy it in bulk, maximum once a year to limit the impact of transportation. For our Turkish denim supplier, the pocketing fabric is locally sourced In Turkey.
Paper trims	Our hangtags and pocket flashers are made from 100% recycled paper and FSC certified.
Packaging	Protecting products during transportation and storage is the primary purpose of packaging. since the product has a higher environmental impact than the packaging. The polybag we use is made with 80% recycled material.

Table 8 trim and packaging overview

# GOALS FOR MATERIALS AND TRIMS

We have never compromised when it comes to the use of planet friendly materials. When sourcing new fabrics, we are always in conversation with our suppliers, to discuss the latest innovations and developments.

The goal of the Dutch Government is to use 50% less virgin materials in 2030. Since we are implementing 100% recycled jeans in most of our Royal Core collection as of 2023, we should be able to reach this goal earlier. We will set up a new material strategy with this goal in mind.

For the use of polybags, we will change our strategy into adding these only for products that need extra protection, instead of for every jeans sold. This means that they can be removed for our dark colored jeans, which will save us estimated 2/3rd of the polybags we currently use for our jeans.

Goal	Timeline	Responsible department
Add dedicated and updated Use & care page on K.O.I website	2023	Marketing
Remove single polybags for dark colored jeans. Only keep them for light colored and stay-black because they need the extra protection.	Implementing from season AW23	Product

Table 9 goals for materials and trims

# A LOOK AT OUR PROCESSES & CHEMICALS

The truth is that a lot of chemicals are involved throughout the fashion supply chain. Mostly in the wet processes. This means that every effort to embrace sustainability must take chemistry into account. There are also chemicals that we want to avoid completely.

First of all, we follow REACH regulation, that restricts certain dangerous substances which are manufactured, used and placed on the European market.

Further, the Kings Of Indigo Restricted Substances List (RSL) is the base for monitoring chemicals in all of our products. It contains a listing of chemicals that are common to be used in textile products or accessories and their accepted limit values. The RSL is intended to ensure that chemicals used for the fabrication of our goods comply with the applicable chemical content and chemical exposure laws. And to protect the health and safety of workers and consumers.

## PROCESSES

Especially jeans production can be quite intensive on the environment. This is mostly related to the washing of the jeans, which gives its unique look. In conventional production hazardous chemicals and processes are used. Luckily, by now, enough alternatives exist to decrease the negative impact. We work with suppliers that implement innovative technologies that mostly reduce impact on chemical and water use.

# SUSTAINABLE ALTERNATIVES

Completely leaving the processes out is ultimately the best sustainability wise. We offer some options in our collections:

Before denim is given its iconic indigo attitude, the fabric is ecru, the natural color of cotton. For our non-dyed denims, we skip the dyeing and washing processes completely, so it stays like this. Water and chemicals are saved. Around 5% of our 2022 jeans are ecru.

Raw or dry denim has a dark indigo color, from the dyed yarns in the fabric. But no additional washes (including related water and chemicals) are applied. Dry denims have a special characteristic that a personal imprint is created when wearing, instead of the industrial wearing effect that is normally created by washing. It's also advised to home launder them as little as possible. Currently only 1% of our jeans is dry denim.

We also offer rinse denims. These dark blue denims are washed one time, only with water, eliminating all the chemicals. As a result, the fabric will feel a bit less stiff compared to dry denims. These seasons we offer 13% rinse denims in our jeans collection.

We also want to offer our consumers a wider range of denim options, with lighter shades and worn effects. Below methods are used as substitute for the earlier mentioned harmful processes.

As an alternative to conventionally used harmful PP spray, laser solutions allow us to obtain the desired results without putting factory workers at risk. By setting controlled pulses of energy, laser beams burn the surface of the treated denim fabric, removing the dyestuff on the surface area. An exposed and bleached out effect can be created without a single drop of water and eliminates the use for chemicals as well.

Another option for garment finishing is ozone washing, a more environmentally conscious method for the bleaching of cotton fibers. This technology generates ozone from the atmosphere, which then reacts with the dyes to produce a worn finish. This Ozone process is a zero-discharge process, saving significantly on water and chemical usage compared to conventional washing.

As a substitute for conventional stonewashing, our strategic denim supplier in Turkey used F-stones. These polymer-based stones are over 700 times more durable compared to pumice stones, which degrade in each wash and leave a lot of sludge that is hard to process. The F-stones can be recycled as well.

Lastly, since we have eliminated conventional and harmful bleach chemicals, our suppliers work with organic bleach.

# EIM SCORE

To keep track of our impact in the wet processing stage, we make use of the EIM score. The Environmental Impact Measurement (EIM) software was developed by Jeanologia and benchmarks the following categories:

- Water consumption
- Energy consumption
- Chemical product used
- Impact on worker health

The scores range from high to low and are related to the finishing process of the garment, not the complete production process. Our EIM scores in 2022:

Low impact: 60%

Medium impact: 40%

## GOALS FOR CHEMICALS AND PROCESSES

Goal	Timeline	Responsible department
Update our RSL	2023 - 2024	CSR
Implement strategy for chemical testing on new washes added to our collection	2023 - 2024	CSR & Product
Improve sustainability of garment finishing processes based on EIM score	2023 - 2024	CSR & Product
Collaborate with suppliers to innovate on chemical use	2024	CSR

Table 10 goals for chemicals and processes

# CLEAN TRANSPORT

On the previous pages we described different steps that we take, mostly product related, to reduce our climate impact. As part of a bigger climate strategy, it is important to look at ways to reduce emissions from transportation and logistics. A first step is to be critical about the number of packages we send, we always try to bundle those. But still, samples will be sent from and to our suppliers. And of course, collections get shipped to our warehouse and orders will arrive at our retail partners and end customers. This is how we handle it responsibly:

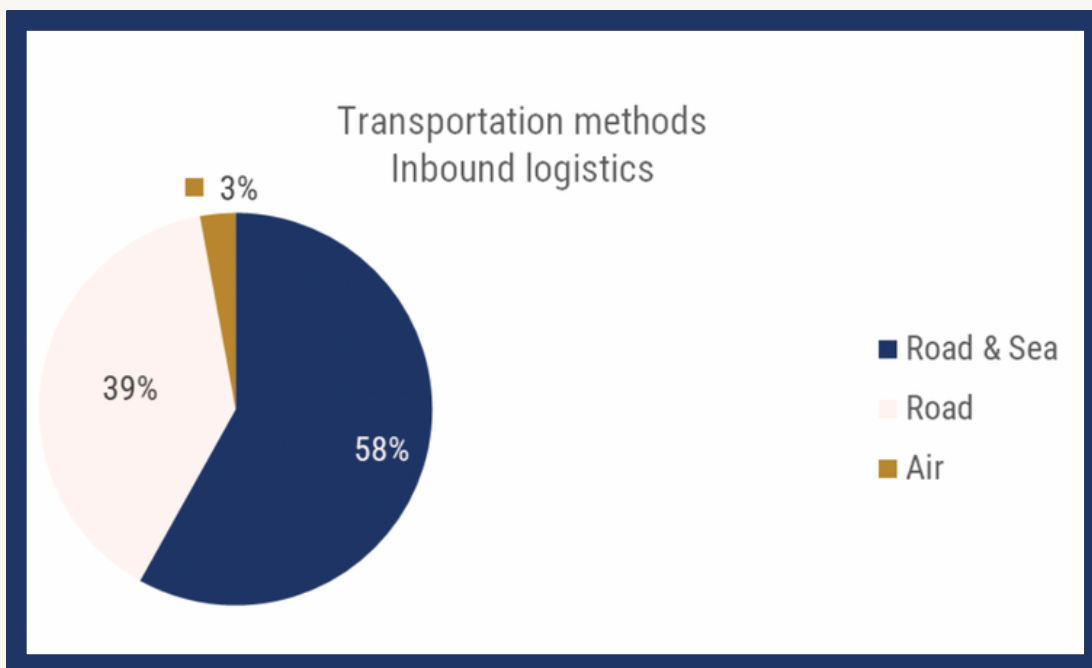


Figure 22 Transportation methods inbound logistics

Collections sent from our supplier in Tunisia to our warehouse will travel by a combination of sea and road shipments. Only the 3% of orders from our Indian supplier get shipped to us via air transport and all the rest travels by truck.

## DHL GOGREEN

Packages sent from our head office travel with [DHL Go Green](#) whenever possible, for carbon neutral shipping. The surcharge of these shipments is invested by DHL in sustainable projects.

# DPD

The goods from our warehouse in Apeldoorn are delivered to the doorstep of our customers by DPD. Together with DPD we compensate for all of these deliveries with investments in renewable and clean energy projects. DPD also has its own ambitious climate goals and keeps on growing its share of electric vehicles for instance (26).

## KINGS OF INDIGO X CLIMATEPARTNER

Another important thing we did was partner with ClimatePartner, to calculate our Corporate Carbon Footprints (CCFs).

## CALCULATIONS

Calculations are the foundation of any climate action. By exposing the areas where our business causes the highest negative impact, we can prioritize and make plans for reduction and offsetting.

The calculations include emissions from our HQ in Amsterdam, our warehouse (which was at the time based in Emmen) and all logistics. These calculations are all based on the year 2021. We did not include our product emissions.

The emissions are calculated based on our own company data. When not enough data was available, secondary data from credible sources was used. The various emission sources are divided into three scopes in accordance with the GHG Protocol:

- Scope 1 emissions: are generated directly by Kings Of Indigo, for example by company owned cars.
- Scope 2 emissions: are generated by purchased energy, for example electricity and heating.
- Scope 3 emissions: all other emissions that are not under direct corporate control, such as employee travel and logistics. Product emissions are listed under Scope 3 as well but were excluded from this calculation.

# RESULTS

Our total corporate carbon footprint for 2021 accounts for 359,46 tons of CO<sub>2</sub>. This is comparable to the carbon footprint of 41 European persons. The figure and table below show the impact separating the different scopes.

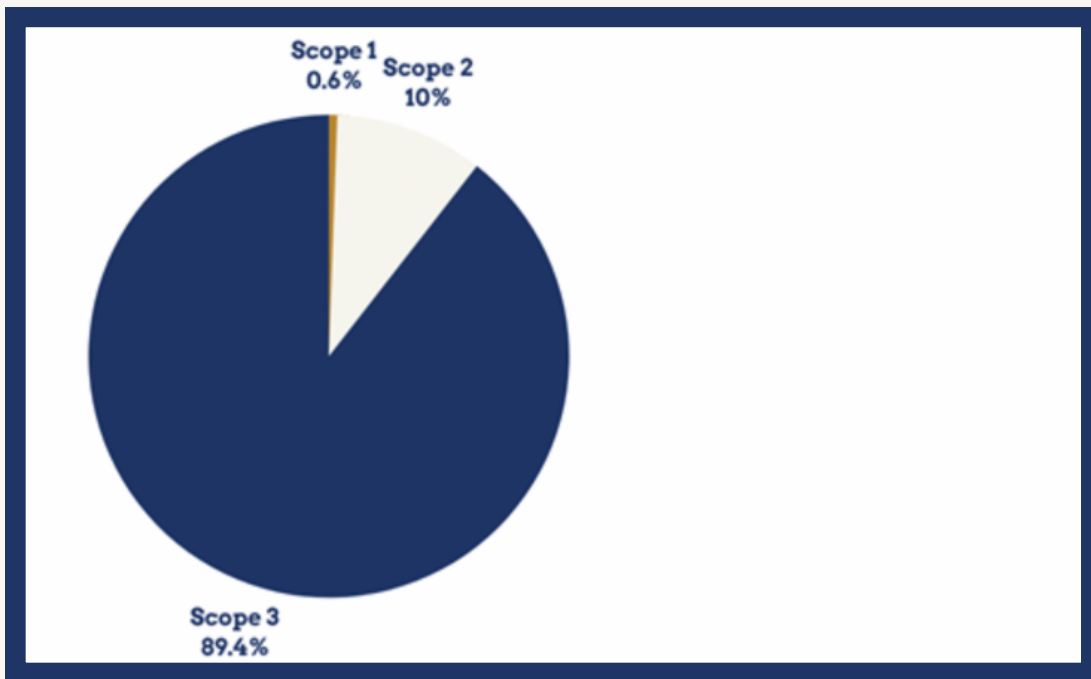


Figure 23 CO<sub>2</sub> emissions categorized by scope 1, 2, and 3



## Total results Corporate Carbon Footprint Kings Of Indigo 2021

Emission sources			t CO2	%
<b>Scope 1</b>			<b>2.20</b>	<b>0.6</b>
	Direct emissions from company facilities		2.20	0.6
		Heath (self-generated)	2.20	0.6
	Direct emissions from company vehicles		0.00	0.0
		Vehicle fleet	0.00	0.0
<b>Scope 2</b>			<b>35.58</b>	<b>9.9</b>
	Purchased electricity for own use		29.39	8.2
		Electricity (stationary)	26.30	7.3
		Electricity (vehicle fleet)	3.09	0.9
	Purchased heating, steam and cooling for own use		6.19	1.7
		Heat (purchased)	6.19	1.7
<b>Scope 3</b>			<b>321.68</b>	<b>89.5</b>
	Downstream transportation and distribution		254.64	70.8
		Outbound logistics	254.64	70.8
	Employee commuting		25.43	7.1
		Employee commuting	21.93	6.1
		Home office	3.50	1.0
	Upstream transportation and distribution		21.10	5.9
		Inbound logistics	21.10	5.9
	Fuel- and energy related activities		12.82	3.6
		Upstream emissions electricity	5.86	1.6
		Upstream emissions vehicle fleet	3.62	1.0
		Upstream emissions heat	3.34	0.9
	Business travel		5.67	1.6
		Flights	4.71	1.3
		Rental and private vehicles	0.96	0.3
	Purchased goods and services		2.03	0.6
		Electronic devices	2.03	0.6
<b>Overall results</b>			<b>359.46</b>	<b>100.0</b>

Table 11 Results Corporate Carbon Footprint 2021

# SOME HIGHLIGHTS OF THE RESULTS:

It is directly clear that scope 3 contributes for most of our emissions; almost 90%. And within this scope, outbound logistics account for 70% of the emissions, definitely something to take a closer look at. We were surprised to learn that even though only 9% of our outbound logistics are carried out by plane (for shipments outside of the EU), this accounts for 90% of the emissions in this category!

For our HQ in Amsterdam, employee commuting accounts for 36% of the impact, the biggest share here. We already offer an e-bike arrangement for all employees within cycling distance from our office. Besides we promote public transport and hybrid working. Since there will be quite some changes in the team from 2023, this is a good moment to reflect and discuss our policies.

The second highest impact for our HQ is purchased energy (29%). Unfortunately, since our office space is rented, we have only limited influence on the type of purchased energy, but this remains an ongoing conversation with our landlord.

## OFFSETTING

Driven by our newly gained insights, we will make decisions that will hopefully reduce our emissions in the future. But of course, emissions cannot be immediately reduced, and changes we make today will not be directly visible. This is where offsetting comes in. For 2021, we have offset the emissions from our HQ, our part of the warehouse in Emmen and all European logistics (excluding already carbon neutral shipments from DHL and DPD). ([This corresponds with 123,7 tonnes Co2 \(equivalents\)](#)). In order to offset, we invest in a renewable energy project in Turkey, one of our biggest production countries.

A new wind power plant is being constructed in the Dualar district of Manisa province, to stimulate the shift away from fossil fuels. The project activity involves the expansion of the local energy infrastructure and is expected to transfer around 116.000 MWh of clean electricity per year.

This investment in renewable energies is of great importance as Turkey's energy demand is constantly growing and meeting the demand by building more conventional power plants would inevitably lead to a sharp increase in greenhouse gas emissions. Instead, with the help of this environmentally friendly wind power plant, approximately 85.030 tonnes of CO2 emissions are expected to be reduced annually. Find all details about the project [here](#).

# GOALS FOR CLEAN TRANSPORT

Recent research from Deloitte under Dutch consumers, shows that 57% of respondents will opt for a sustainable package delivery instead of a faster or cheaper delivery. Even if the more sustainable options take longer or are more expensive (27). This is a part where we can offer more solutions, which is why we set below mentioned goals.

Goal	Timeline	Responsible department
Offer alternative delivery methods directly at check-out on our website. Like pick-up points, parcel lockers, bike couriers.	2024	Operations & e-com
Offer the option to return items from different orders in one package.	2023	Operations
Offset shipments of orders outside the EU.	2024	Operations & e-com

Table 12 Goals for clean transport

# TOWARDS CIRCULARITY

'Our current economy and society are based on a take – make – waste system, which we also call a 'linear economy.' In short: we use raw materials, turn them into products, which we buy as consumers, use (for a relatively short time) and dispose of when we don't value them anymore. Most of the materials that are in use are non-renewable, which means that at some time in the future we will run out of them. And when we throw away our used products, most of the time we don't think too long about reusing either the complete product, or certain parts or materials. This results in exhaustion of valuable resources, a waste pile getting higher and higher, damage to biodiversity and high environmental impact. Changing towards a more circular economy is of great importance to reduce these negative impacts (28).

***'Circular economy strategies could help reduce emissions by 40% in 2050'.  
(29)***

At the same time, our population and economy are growing as well. To provide for this growing population, production is expanding as well. Global fiber production almost doubled from 58 million tonnes in 2000 to 113 million tonnes in 2021 (20).

# CIRCULAR ECONOMY

In a circular economy, we want to use virgin materials as little as possible and keep products and materials in use as long as possible, at their highest value, that re-enter the economy after use, never ending up as waste.

This circular model distinguishes between technical and biological cycles. In the biological cycle, bio-based materials such as cotton or wood are returned to nature, for instance through composting. Products that are not bio-based, such as polyester, but also a lot of blended materials, automatically go through the technical cycle because they cannot biodegrade. In this cycle products must be designed for reuse, repair, remanufacturing or eventually recycling. With both cycles, we are aiming to 'close the loop,'.

The goal of the Dutch government is to have a fully circular economy in 2050 (30). The interim ambition for 2030 is a target of 50% less use of primary raw materials. To be able to achieve this, we will need a systemic shift and change the way we currently think and act. Partnerships play an important role, to exchange information and experience between companies, sectors, and countries.

## DESIGN FOR CIRCULARITY

***'Up to 80% of a product's impact is determined during the design phase'.  
Including choices for materials, but also production processes and locations.***

Currently, around 1% of globally produced clothing is recycled back into actual clothing. Partly because technologies are not optimized yet, but for a big part this is caused by low quality of clothing and the way they are designed, which for a long time did not consider the end-of-life stage of the product's lifecycle. By now we know how important this is, and which points we need to focus on to improve the possibilities (31) (32) (16) (33).

**Design for durability**, as described in the Planet Friendly chapter.

**Design for disassembly**; products are designed in such a way that they are easy to repair and take apart so that it allows for components to be reused or recycled.

**Design for end-of-life**; designed in such a way that the product can be safely recycled at the end of their lifetime.

**Biological cycle**; design with renewable and regenerative materials. Including trims and safe materials that are used in different processing steps, to enhance biodegradability.

For the **technical cycle**, it is not only important to look at input materials, but even more to be critical about the combination of materials in fabric compositions (blends), and the way this effects the possibility to recycle the garment at the end of the lifecycle. We have classified our fabric compositions in three classes:

- Class A: Mono-materials or combinations within one fiber type
- Class B: Different fiber types, but maximum 5% of the second materials (e.g., 97% organic cotton, 3% elastane).
- Class C: Blends to preferably avoid, with more than 5% of a different fiber type or more than 2 different fiber types.

Below is our current division between the three classes.

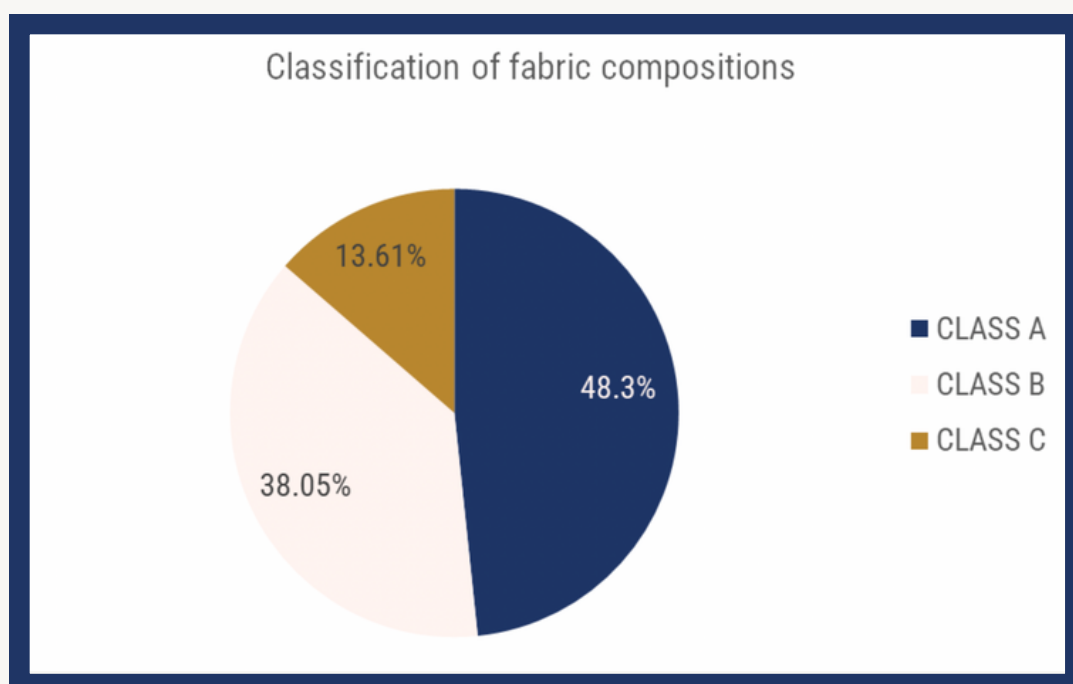


Figure 24 classification of fabric compositions

# IN THE PICTURE: OUR 10-YEAR ANNIVERSARY JEANS

A Great example of circular design. To celebrate the 10-year anniversary of Kings Of Indigo, we developed two pairs of circular jeans. Rinse denims, made with 100% pre-consumer recycled cotton, organic cotton back patches and removable metal buttons.



Figure 25 10-year anniversary circular denim

## CIRCULAR BUSINESS MODELS

Circularity is not a trend or solely a social theme. It's the future and we will have to move with and towards it. To achieve this, we need to change our mindset and step out of our comfort zone in terms of the way we work and the business models we are familiar with.

Since we are all about transparency, we must admit that our current business model is still predominantly linear. We are aware of this, and excited about all the opportunities to move towards a more circular business model. We will be working on this for the coming years, looking for the right partners and choosing solutions that fit our company best. In this chapter you can read about possibilities for circular business-models and how we will approach it.

# R-STRATEGIES

A circular economy can be reached using different strategies. These are known as the 'R-strategies' or the 'R-ladder.' You can say the higher up the ladder, the more circular, or at least the less new materials are needed. But in a realistic world, a mix of different strategies, complementing each other, will be ideal.

***The core message is: Use less – use longer – use again.***

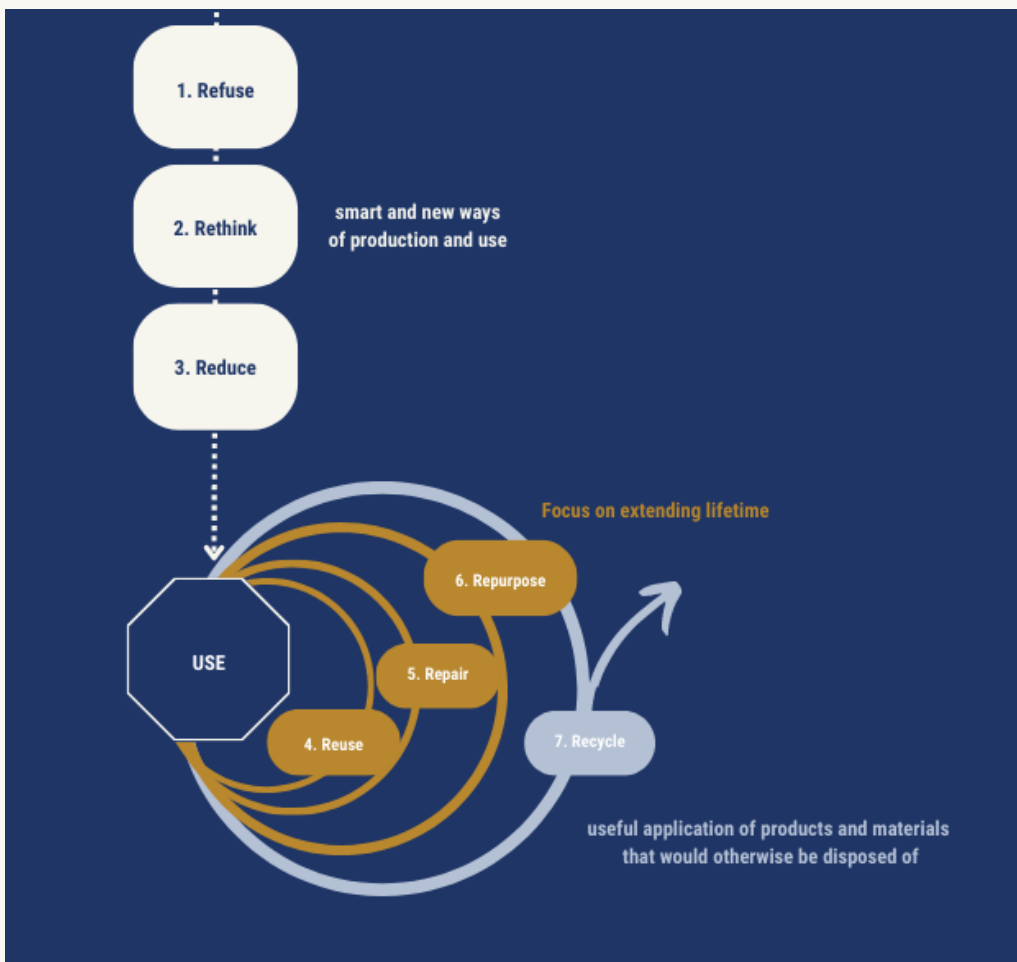


Figure 26 Seven R-strategies, divided in three sections



R-strategy	Explanation	K.O.I actions
Refuse	In practice this means consuming less, being conscious and critical about materials and purchases. Choosing for more sustainable options where possible. Choose products that can be used over a longer period and caring for your clothes. Products are not only valuable because of the price you pay for them, but also the way they are produced and the (emotional) value.	We make decisions for sustainable materials and processes. We make quality wear that can be used over a longer period and don't follow fast-fashion trends. We educate our consumers about use and care for products.
Rethink	Reconsidering and rethinking ownership; sharing, swapping, leasing, renting.	This is not (yet) part of our business model.
Reduce	Minimizing material use by using low waste production methods, using less materials, producing less or minimizing waste by closing production loops. For example, on-demand production.	Recycled materials are an important part of our collection, this way we make sure fewer valuable materials go to waste. For our retail partners, we work with a pre-order system so we can make better estimations on the number of items to produce.
Reuse	Extending the lifetime of a product. Reuse the product as a whole, in its original function. The overall environmental impact of a new cotton t-shirt can be approximately 70 times higher compared to a recycled t-shirt (34).	In 2022 we started a partnership with RESPONSIBLE, to offer a buy-back system for previously owned garments.
Repair	Extending the lifetime of a garment by mending damages. After repair the garment is of the same quality as at the moment of purchasing.	We want to stimulate keeping your jeans in use longer. When there are damages due to unforeseen quality issues, customers can always contact our customer service. They are encouraged to have their garment repaired at a local repair shop on our costs.
Repurpose	Expanding the lifetime of a garment by finding a new use for products, parts, or materials of those products in a functional new product. Keep the product, or parts thereof, as they are and use them for a new purpose. But they can also be adapted for a new function.	In the past we have organized competitions for consumers to create new products out of old stock jeans and trims. Called 'Reuse the Blues'. The response was overwhelming, and we received some extremely creative results. Last season we noticed that we had quite some full-length jeans on stock. We decided to Make shorts out of them, so we could sell these in the upcoming summer season.
Recycle	Recycling is a broad term for the processing of used materials into materials of the same or lower quality. Waste materials are processed into raw materials for the original purpose (clothing into clothing), or another purpose (textile into insulation material).	32% of materials used in 2022 are recycled.

Table 13 Explanation of R-strategies and Kings Of Indigo goals



Figure 27 Results from the latest Reuse the blues contest

## TOWARDS CIRCULARITY GOALS

Table 13 includes actions that are already implemented in our business practices and contribute to circular economy. As mentioned before, our production is still mostly linear. To change that, we set below goals.

R-strategy	Goal	Timeline	Responsible department
Reduce	Reduce overstock by making smarter use of data.	2023 - 2025	Sales, product, operations
Reuse	Start up new reuse program.	2024	Marketing & CSR
Repair	Offer at least two repair options for consumers.	2023	E-com
Repair	Educate our customers about ways of upcycling and personalization.	2023	Marketing
Repurpose	Re-introduce 'Reuse the Blues' concept.	2024 - 2025	Marketing, CSR
Recycle	Offer a system to have our own garments recycled.	2024	CSR

Table 14 goals towards circularity

# DENIM DEAL

In 2020, Kings Of Indigo signed the Denim Deal, together with parties across the value chain from producers to brands, retailers, recyclers and collectors and public authorities. With the aim to collaborate in taking steps towards using recycled textile in all denim garments marketed in the Netherlands (35).

Parties in the Denim Deal have agreed to all work towards producing jeans with at least 20% post-consumer recycled cotton. At Kings Of Indigo we have directly implemented it in our strategy. Because collections are always created more than a year earlier, this is not yet visible in the collections that were marketed in 2022. This is why in our SS22 and AW22 collection combined, around 18% of the total jeans collection had the 20% post-consumer recycled cotton implemented.

However, as from our summer 2023 collection on we have implemented a minimum of 20% post-consumer recycled cotton in a great share of our jeans and we estimate that around 90% of the combined SS23 and AW23 will have this minimum. A great accomplishment if you ask us.

# TRANSPARENCY

The fashion industry is known to be a complex one, because of its many production steps and production locations all over the world. This often leads to non-transparent situations, contributing to risks mentioned earlier in this report. The idea is simple: if we as a brand don't know where production takes place and what is happening in our supply chain, it is impossible to map risks, measure impacts, take responsibility and work on improvements accordingly. Without transparency, it is impossible to guarantee sustainability.

It has long been common in the fashion industry to be secretive about production countries and especially sharing specific supplier information. Luckily, there is a shift in mindset happening amongst a lot of brands. Besides the gaining of insights for ourselves, transparency gives our consumers the power to make informed, well-considered purchasing decisions and hold us accountable for our practices.

*'Transparency is the backbone of our sustainability strategy'.*

## NEXT LEVEL TRANSPARENCY WITH RETRACED

Our company has been committed to transparency since day one, but since 2020 when we began using Retraced, our company is being transformed into a fully transparent organization that places transparency at the top of our list of priorities. We are proud to work with Retraced to combat greenwashing. The platform helps us to map our supply-chains, track sustainability efforts and make informed decisions. This is all made visible to our end consumers for each product in our collection by scanning the attached QR code.

# KINGS OF INDIGO AND TRANSPARENCY

We work together with our suppliers to gain complete supply-chain transparency, from crop to closet.



Figure 28 Transparency percentage per tier

This means that for 78% of our collection we have transparency over the complete supply chain. While we are proud of this number, we will work towards 100% in the future.

We have nothing to hide, so we post a list with all of our supply chain partners to the Open Supply Hub. All our 2022 suppliers are now visible [here](#). The list will be updated at least once a year.

We also want to be transparent about cost build up for our articles and share two examples below.

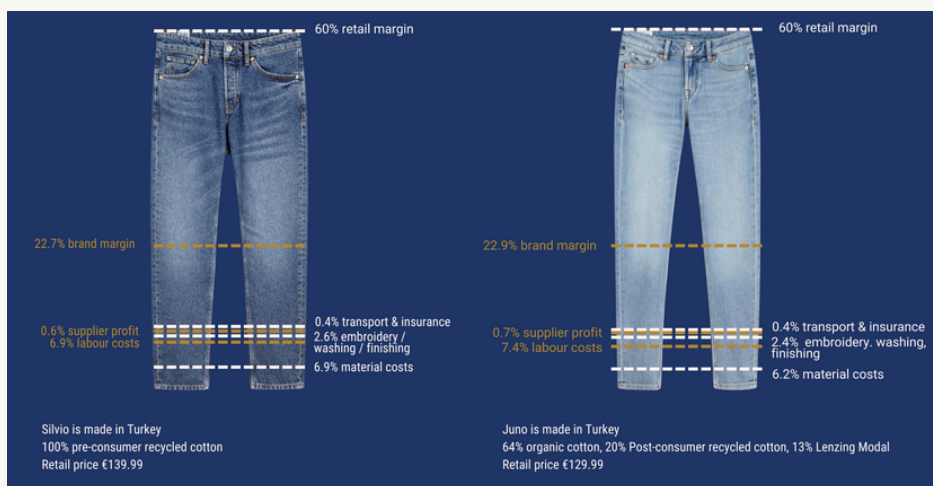


Figure 29 Open costing example

# GOALS FOR TRANSPARENCY

Goal	Timeline	Responsible department
Add the Retraced QR code on a sewn-in label, instead of on the hangtag.	2024	Product
Improve our transparency coverage to 100% in 2025.	2023 - 2025	CSR & Product

*Table 15 goals for transparency*

# CORPORATE GOALS

Sustainability is related to more than the products that we put on the market. 'Doing It right' is part of our company DNA. This should be translated into our day-to-day business, the Kings Of Indigo team and how we can give back to (local) society. No doubt there is still room for us to grow.

## DONATIONS

After the restart of the company in December, we did a big office clean up at the start of this year. Unfortunately, there are still many people with limited access to much needed resources such as good and warm clothing. We were able to donate around 1000 pieces, including jeans, jackets, sweats and tops to organizations that are doing highly important work; Because We Carry, De Regenbooggroep and ReShare – Salvation Army.



Figure 30 boxes with clothes for donation at Kings Of Indigo HQ



# DIVERSITY

It is high time that we include diversity on a more structural base in our business strategy and goals. We want to be a brand that feels comfortable and welcoming to everybody, independent of age, size, ability and race. And we need to radiate this more (36).

The last years, we have mainly focused on presenting our products on models with different ethnicities. Now it is time to focus more on the other factors as well. Being a small brand, this brings some challenges because of limited sample options we use for photoshoots. But we will work on a strategy and action plan, starting with shooting our Royal Core collection on models with different sizes and genders.

# SOCIAL IMPACT & EMPLOYEE EMPOWERMENT

As a sustainability focused company, it makes sense for the Kings of Indigo team to personally contribute to a sustainable society. This creates awareness, employee empowerment and will at the same time act as a team building activity. We will be researching options for a social impact program for our employees. Where we spend one or two days a year, contributing with an activity to society or the environment. Preferably connected to our brand values and/or sector.



# CORPORATE GOALS

Goal	Timeline	Responsible department
Make a donation round every year.	2023 - 2024	CSR
Include a wider variety of models in our photography, starting with our Royal Core collection.	Set up a strategy in 2023 and implement in photoshoots and other campaigns starting at our SS24 collection	Marketing, E-com
Set up a social impact program for our employees.	2023 – 2024	CSR

Table 16 Corporate goals

# APPENDIX

1. OECD. OECD Guidelines for Multinational Enterprises. s.l. : OECD Publishing, 2011.
2. Ravuri, Ajay. Risk Assessment in Apparel Industry. Insideapparel.net. [Online] September 05, 2020. <https://insideapparel.net/blog/risk-assessment-in-apparel-industry/>.
3. OECD. OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. Paris : OECD Publishing, 2018.
4. Türkiye. Fair Wear. [Online] 2023. <https://www.fairwear.org/programmes/countries/turkey>.
5. TURKEY - country study 2017 / 2018. s.l. : Fair Wear Foundation, 2018.
6. Foundation, Fair Wear. INDIA - Country study 2019. 2019.
7. BSCI, Amfori. Countries' Risks Classification. Brussels : Amfori, 2021.
8. The Paris Agreement - What is the Paris agreement? UNFCCC. [Online] UNFCCC. <https://unfccc.int/process-and-meetings/the-paris-agreement>.
9. Sophie Boehm, Clea Schumer. 10 Big Findings from the 2023 IPCC Report on Climate Change. March 20, 2023.
10. IPCC. AR6 Synthesis Report: Climate Change 2023. IPCC. [Online] March 2023. <https://www.ipcc.ch/report/sixth-assessment-report-cycle/>.
11. McKinsey & Company. Fashion On Climate, How the fashion industry can urgently act to reduce its greenhouse gas emissions. s.l. : McKinsey & Company, Global Fashion Agenda, 2020.
12. WRAP. design for longevity, Guidance on increasing the active life of clothing. Banbury : WRAP, 2013.
13. Mistra Future Fashion. environmental assessment of Swedish clothing consumption. Göteborg : RISE AB, 2019.
14. Sustainalize. Kings Of Indigo | Life Cycle Assessment. Amsterdam : s.n., 2021.
15. Mistra future Fashion. Environmental assessment of Swedish fashion consumption. s.l. : Mistra Future Fashion, 2015.
16. Ellen Macarthur Foundation. The Jeans Redesign Guidelines. s.l. : Ellen Macarthur Foundation, 2021.
17. Phipps, Lauren. Playing for keeps: Is designing emotional durability the key to a circular economy? [Website] s.l. : Greenbiz.com, March 14, 2019.
18. Ceros. Cost-Per-Wear calculator.
19. Sokunbi, Bola. Cost per wear: how it can help you save money. Clever Girl Finance. [Online] November 21, 2022. <https://www.clevergirlfinance.com/blog/cost-per-wear/>.
20. Textile Exchange. Preferred Fiber & Materials Market Report. s.l. : Textile Exchange, 2022.
21. Organic Trade Association. Cotton and the environment. s.l. : Organic Trade Association, 2018.
22. Exchange, Textile. Textile Exchange Organic Cotton Update. 2022.
23. Guinebault, Matthieu. Fashion for Good quantifies potential of reusable post-consumer textiles in Europe. September 29, 2022.
24. Bithell, Tom. Study evaluates the impact of recycled wool. s.l. : Textile Exchange, February 27, 2023.
25. Modint. Sustainable Material Guide. Zeist : Modint, 2016.
26. Sustainability report 2021. s.l. : DPD group, 2022.
27. Deloitte. Conscious consumerism. 2023.
28. Henzen, Rozanne. De kleine Circulaire economie voor dummies. Amersfoort : BBNC uitgevers, 2020.
29. Ellen Macarthur Foundation. Completing the picture, How the circular economy tackles climate change. 2021.
30. Nederland circulair in 2050. sl : Het ministerie van Infrastructuur en Milieu en het ministerie van Economische Zaken, 2016.
31. Streng, Bianca. Kleding Hoop, Op weg naar een circulaire kledingindustrie. Gouda : Klare Taal, 2022.
32. Tim McAloone, Niki Bey. Environmental improvement through product development, A guide. s.l. : Danish Environmental Protection Agency, 2009.
33. Ellen Macarthur Foundation. A new Textiles economy, Redesigning fashion's future. s.l. : Ellen Macarthur Foundation, 2017.
34. Norion Consult. LCA-based assessment of the management of European used textiles. s.l. : Norion Consult, 2023.
35. Denim Deal. Green Deal Circular Denim. Afvalcirculair.nl. [Online] 2023. <https://www.afvalcirculair.nl/onderwerpen/afvalstromen-ketens/textiel/green-deal-circular-denim/>.
36. Turner, Krissy. Why fashion needs to understand the difference between inclusivity and diversity. Harpers Bazaar. [Online] October 28, 2020. [Cited: April 25, 2023.] <https://www.harpersbazaar.com/uk/fashion/a34494267/difference-between-inclusivity-and-diversity/>.
37. Fibre2Fashion News Desk – India. Jeanologia removes PP Spray from denim production. s.l. : Fiber2Fashion, November 18, 2015. 55

June 2023

Kings of Indigo B.V.  
Krijn Taconiskade 440  
1087 HW Amsterdam  
The Netherlands

Questions?  
Contact our Queen of CSR  
[Nikki@kingsofindigo.com](mailto:Nikki@kingsofindigo.com)