REPORT SHORT



Kings Of Indigo

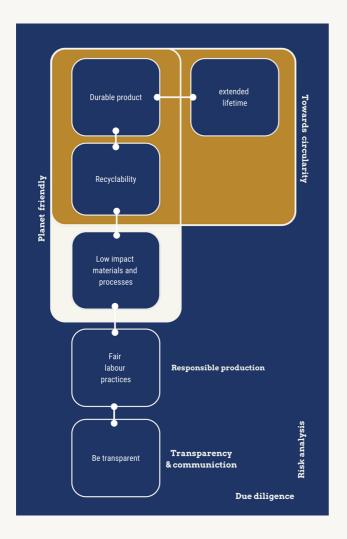


KINGS OF INDIGO SUSTAINABILITY STRATEGY

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.

This short version of our 2022 CSR report includes the CSR highlights. Eager to learn more, access our full report <u>here.</u>



RESPONSIBLE production

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.

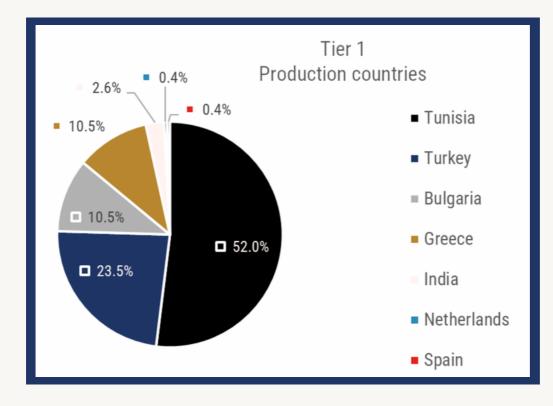
RESPONSIBLE PRODUCTION PRINCIPLES

It is at the base of our principles to strive to be a fair and reliable business partner and build longterm relationships with our suppliers, that are based on mutual trust. 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.

This year we updated our Code Of Conduct (CoC), and made it <u>publicly available</u>. The code lays down minimum requirements we expect from suppliers, but also emphasizes our own responsibility when sourcing and buying. This is aligned with international standards such as the International Labour Organisation (ILO) and OECD guidelines.

Before we start a relationship with a new supplier, they are asked to fill in our supplier questionnaire to gain insight into sustainability efforts of the factory. We only work with suppliers that have a valid social audit in place from either the Fair Wear Foundation, Amfori BSCI or SEDEX SMETA. All partners should be open to be transparent about production locations, including subcontractors or material suppliers. We are transparent in return.

OUR SOURCING COUNTRIES IN 2022:



As of 2023, we will move most of our production from Tunisia to Turkey. This country already accounts for more than 1/4th of our tier 1 production and will grow to an estimated 70%.

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.

PLANET FRIENDLY

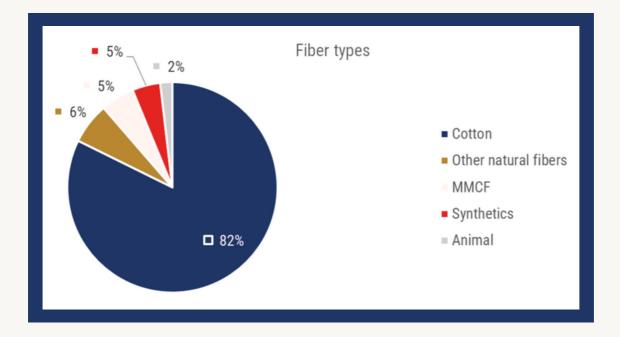
We produce high-quality, durable products that can stay in use for as long as possible, with a timeless design and don't move with fast fashion trends. extending the active life of a garment is the single most effective way to reduce environmental impact. When the durability of a garment allows for it to be in use longer, the impact per wear goes down. Let's show this with an example for one of our jeans.



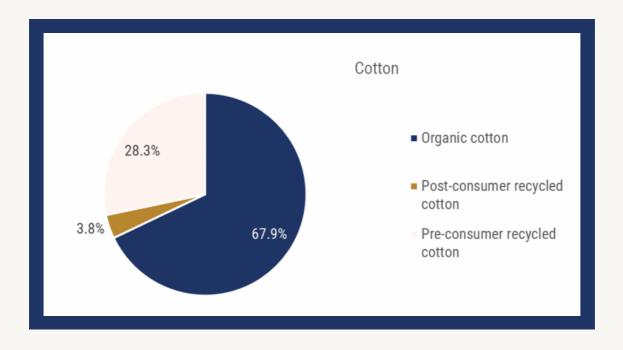
PLANET FRIENDLY MATERIALS

Studies suggest that more than one-third of the harmful climate impact over a garment's lifetime comes from the raw material stage. Since Kings Of Indigo started production in 2011, we have never compromised on sustainable materials. In 2022 even 99.2% of our collection was made with sustainable materials.

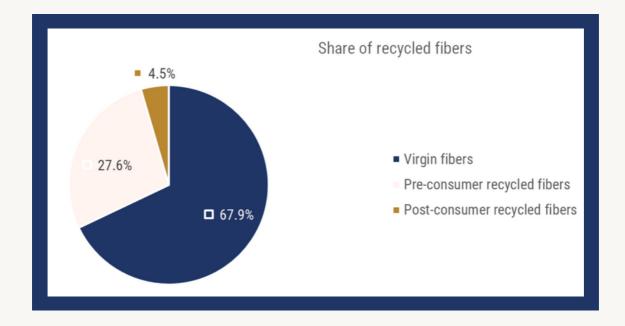
OUR MATERIAL USE



With 82%, cotton is by far our most used material. It is a no-brainer that we only use organic or recycled cotton in our garments.



Recycled fibers currently make up 32% of our used materials, and we will focus on increasing this amount in the future.



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SUSTAINABLE PROCESSES

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 reduce impact on chemical and water use.

Completely skipping processes is the best option sustainability wise. We offer non-dyed, dry and rinse denims for 19% of our 2022 collection.

We also want to offer our consumers a wider range of denim options, with lighter shades and worn effects. Our suppliers use laser solutions, ozone washing, organic bleach and F-stones as an alternative to conventional harmful processes.

TOWARDS CIRCULARITY

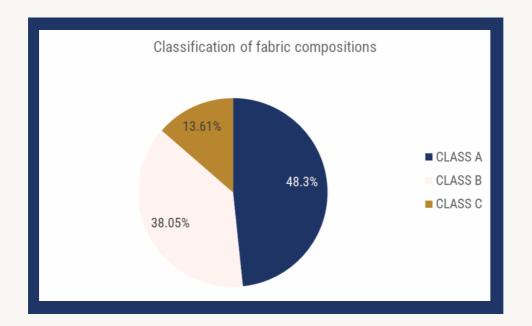
In a circular economy, we want to use virgin materials as little as possible and keep products and materials in use as long as possible, at their highest value, that re-enter the economy after use, never ending up as waste.

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.

For a garment to be able to be recycled at the end of its lifetime, it is important to not only look at input materials, but even more to be critical about the combination of materials in fabric compositions (blends). 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:



OUR 10-YEAR ANNIVERSARY JEANS

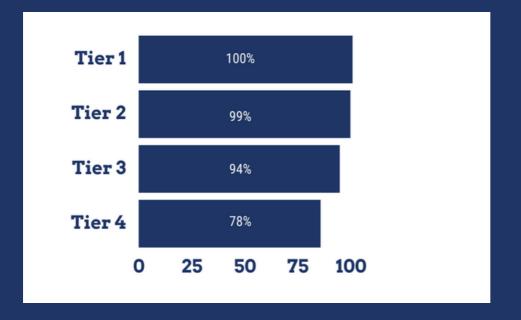
A Great example of circular design. To celebrate the 10-year anniversary of Kings Of Indigo, we developed two pairs of circular jeans. Rinse denims, made with 100% pre-consumer recycled cotton, organic cotton back patches and removable metal buttons.



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 and risky situations. 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.

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. 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.



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 visible <u>here</u>.

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



FOCUS POINTS FOR 2023 AND BEYOND

- · Become a member of a social compliance initiative
- · Increase our share of recycled materials
- Offer circular solutions for reuse and repair
- Increase our transparency level to 100% by 2025
- Include a wider variety of models in our photography to stimulate diversity and inclusion

June 2023

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