

SUSTAINABILITY REPORT

2019



KUYICHI

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LETTER OF THE CEO

When I look back at last year, I feel incredibly proud of what we have accomplished, both as a team and as a company. We stepped up our 360-degree sustainability approach and we gave everything we had to put it into action. A main focus was to build a strong timeless collection that helps us escape the rat race of seasonal collections and sale.

We also worked with many new dyeing techniques and innovative materials, such as Post-Consumer Recycled Denim, 100% recycled denim, clay coated washes and our new vegan patch, made from corn. We experimented with ways of recycling and we gained so much knowledge to do this better. I'm also very proud of the great relationship we built with our suppliers. They all deserve a lot of credit. They are the ones who innovate with us and make it possible for us to bring those innovations to the market. We couldn't do it without them.

The industry is changing rapidly and it excites me. People are finally starting to open their eyes for what's going on. On the other hand, I think brands should really step up their transparency game. It's our responsibility to educate the consumer and help them change into a more conscious mindset.

As a company, we are open about every single choice we make and next year we will push our transparency game to next level. We will also continue pushing ourselves when it comes to sustainability. With our recent Fair Wear membership, we are going to fight even harder for better working conditions in our own supply chain and the industry. We will increase our focus on recycling and investigate how we can keep our footprint as low as possible. We will create more hands-on information and recommendations for a positive change in fashion. It's much needed in an industry that still thrives on trends and a growing hunger for more. 20 years ago, Kuyichi was founded to show that it's possible. And it's what we'll always keep doing.

Peter Schuitema



WE ARE KUYICHI
WE MAKE CLOTHES THAT CONTRIBUTE
TO A BETTER TOMORROW
BY MINIMIZING OUR IMPACT TODAY

SINCE DAY ONE
WE AIM TO ESTABLISH
A FUTURE-PROOF FASHION SYSTEM
IN AN UNFASHIONED WAY

FROM FARMER TO FABRIC
WARDROBE FOR WARDROBE
AND PIECE BY PIECE

TOGETHER WE GOT THIS
NOW IS THE TIME
LET'S UNFASHION THE PLANET
AND REIMAGINE STYLE

LOOK GOOD
GO BEYOND THE HYPE
AND TRULY MAKE A DIFFERENCE

KUYICHI



KUYICHI

WE MAKE CLOTHES IN A FUTUREPROOF WAY

We strive for true sustainability in everything we do. In fact, it's our only way to go. True sustainability goes way beyond a clean production process and a circular mindset. It's a holistic approach that involves every single choice we make. Making future proof clothes, to us, isn't only about using conscious materials and treating others right. Yes, of course we only use sustainable and recycled fabrics. Yes, of course we only work together with likeminded idealists. Yes, of course all of our pure goods are made by people who are treated and paid right.

But we go further than that. True sustainability is also about designing in a timeless way and striving for the best quality possible. That's why we don't follow hypes that may be liked for just one season and end up unworn the season after. We also stopped participating in the bi-annual rat race of sale. Instead, we focus on making timeless everyday essentials: clothes that go with anything and are made to be worn for years. We always make sure that our pure goods always have a fair price for the consumer, the retailers and the people who make our clothes.

As a brand we see it as our responsibility to encourage people to buy more consciously, instead of pushing to buy more. True sustainability is a conscious evolution on every level that we can possibly think of as a company. So that's what we're working on. Every single day.

OUR HERITAGE

PURE GOODS SINCE 2000

Our journey started in 2000 in Peru, South America. The founders of Kuyichi, NGO Solidaridad, were exploring the cotton industry in Peru and were shocked by the pollution and the poverty they saw.

This had to change. They started collaborating with local cotton farmers, rewarding them and everyone involved in the supply chain for their hard work and stimulating them to produce fair and organic cotton. Without the use of toxic chemicals. But no brands were interested in buying organic fabrics and end products at that time. It was too expensive. Nobody cared.

So they started a brand themselves, to create a market for fair and sustainable cotton and change the industry. Kuyichi was born. We named our brand after the Peruvian God of the Rainbow, K'uychi, who brings colour and positivity to society.

The most commonly worn product made of cotton is a pair of jeans. The denim industry is also one of the most polluting ones in the entire fashion industry, so we started making 100% organic denim as the first brand ever. We're still constantly looking for ways to reduce our impact on the planet and increase our positive impact in the fashion industry. It's what we're here for. When you know better, you have to do better.



THE KUYICHI SUPPLY CHAIN



Supply chains can get confusing very fast. Here we show a simplified visualisation of a supply chain. But if you would zoom in closer you would find that every step in this chain has many steps itself.

Raw materials have very different origins and processes depending on the material type, farming cotton and linen, extracting wood and oil and collecting pet-bottles or used garments to name a few. Besides, if you want to be fully correct, the dyeing process can be done on the yarn as showed here - like it mostly is done for denim - but can also be done later in the process on the fabric or garment. In the Cut-Make-Trim (CMT) you need many people in the production line, suppliers to make the buttons, rivets and zippers, but sometimes also a different supplier to do an embroidery or printing. To finish it off, in all the wet processes, like dyeing and finishing, you need suppliers that make the right chemicals and machines. It can get complicated very fast.

But to keep it clear for you, we show you this simplified version of a supply chain, without all the detours. We will use it as a guide in the coming pages to give you a clear image of what we do in each step of the chain.

Let's be open and give you a truthful insight into the production process!

DESIGN



NO SEASONS

NO SALES

Denim never goes out of style. We started wearing denim back in the 19th century and have not stopped ever since. The same works for good basics. If you love your clothes you can wear them over the seasons and give them a life they deserve. This is how we look at our pure goods. We do not practice sale, since a product does not lose its value when the seasons change. It is worth the value you give. In season or out of season, you can buy our products all year long and if many people love it we'll just restock. We hope our pure goods become your favourite timeless essentials.

CONCIOUS CHOICES

Before a product starts the journey through the supply chain it starts as a design, as an idea. Creating the perfect sweat, the perfect straight denim fit sounds easier than it is. Each choice we as a brand make in the designing and production process can have an impact on both the end product and the people throughout the chain. So the process of design is about making conscious choices, keeping both the end product, the consumer and our suppliers in mind.

DESIGN FOR LONGEVITY & CYCLABILITY

We take great care in the design of our pure goods focussing on the development of timeless products that can become your favourite. Not only do they have to stand the continuous change of trends, they should also be worn until they tear. The longer you can wear it, the lower the environmental impact will be per wear. We choose for high quality options and work on the longevity of our jeans constantly to achieve this.

Together with the knowledge of our suppliers and the feedback of our customers we keep improving our products. Not only to make them last longer, also to make sure that if you've eventually worn them out, they can be repurposed in a value adding manner. More about this later on in this report.

QUALITY GOODS AND THE PERFECT FIT

We never compromise on quality and style. To ensure our pure goods have a long lifetime and are your favourite pieces, they have to fit your body perfectly. No body is the same, each is unique. We give you styles that compliment different body types without compromising on comfort. Every body is different and the perfect jeans or sweater for one is not the same for another. That is why we try to give you different fits, for different body types.

DESIGNED TO DETAIL

We design our products to the very last detail. The colour of the thread inside the button hole stitch, the branding on the inside of our buttons, the label on your sleeve. We love to think about all the small details, to give you the most refined and thought-through product possible. Sometimes they may look basic, but do not forget the amount of thought and effort that is put into it.

MATERIALS



MATERIALS STRATEGY

PREFERRED MATERIALS MATRIX

We have high standards for the quality of our pure goods. We strive for low environmental impact products based on organic, recycled or otherwise low-impact or preferred fibres. Kuyichi products ideally contain only preferred fibres, therefore we made a preferred fibres list based on their environmental impact. We based this on different benchmarks, such as Higg Material Sustainability Index, Made-By Environmental Benchmark for Fibres and the Sustainable Material Guide from Modint. Risks and sometimes own desires are included in the preferred materials matrix as well.

- A - preferred materials with a low impact
- B - preferred materials but with a higher impact than A - materials
- C - not preferred materials, but accepted after KUYICHI's approval
- D - these materials are banned or strongly limited in KUYICHI products

We always strive to use as much A & B materials as possible and to minimize or ban the use of D-materials.

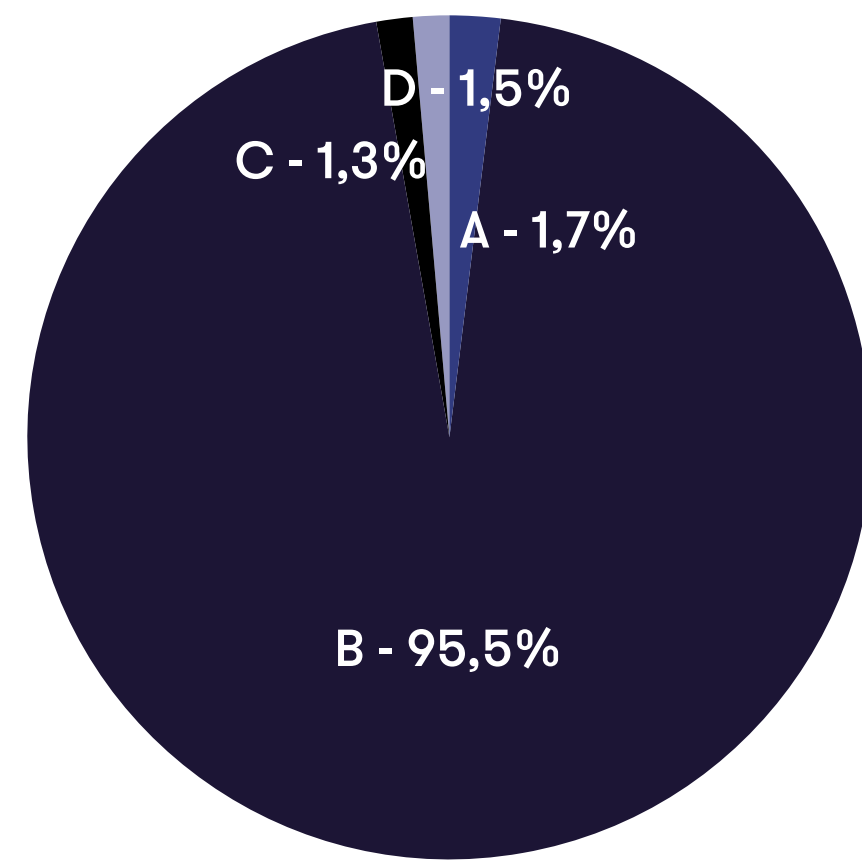
MATERIALS CLASSIFICATION FOR MATERIAL PORTFOLIO OF THE 2019 COLLECTION

A MATERIAL	B MATERIAL	C MATERIAL	D MATERIAL
Recycled Cotton	Organic Cotton	Elastane	Polyester/ Polybutylene Terephthalate (PBT)
Post-Consumer Recycled Denim	Tencel (Lenzing)	Vegetable Tanned Leather	
Recycled Polyester (mechanically)	Micro-Modal (Lenzing)		
	Linen		
	T400 Ecomade		

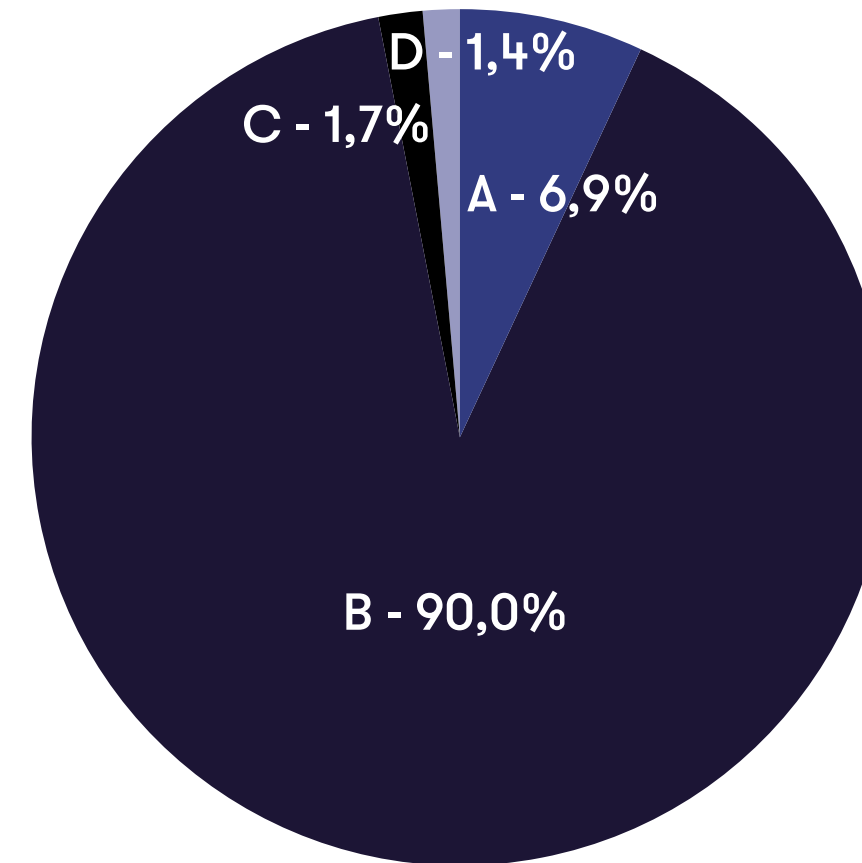


A B C D MATERIALS

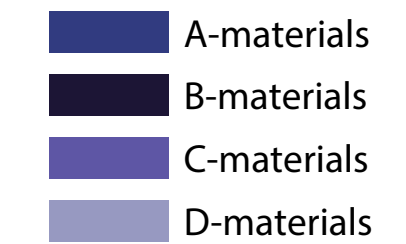
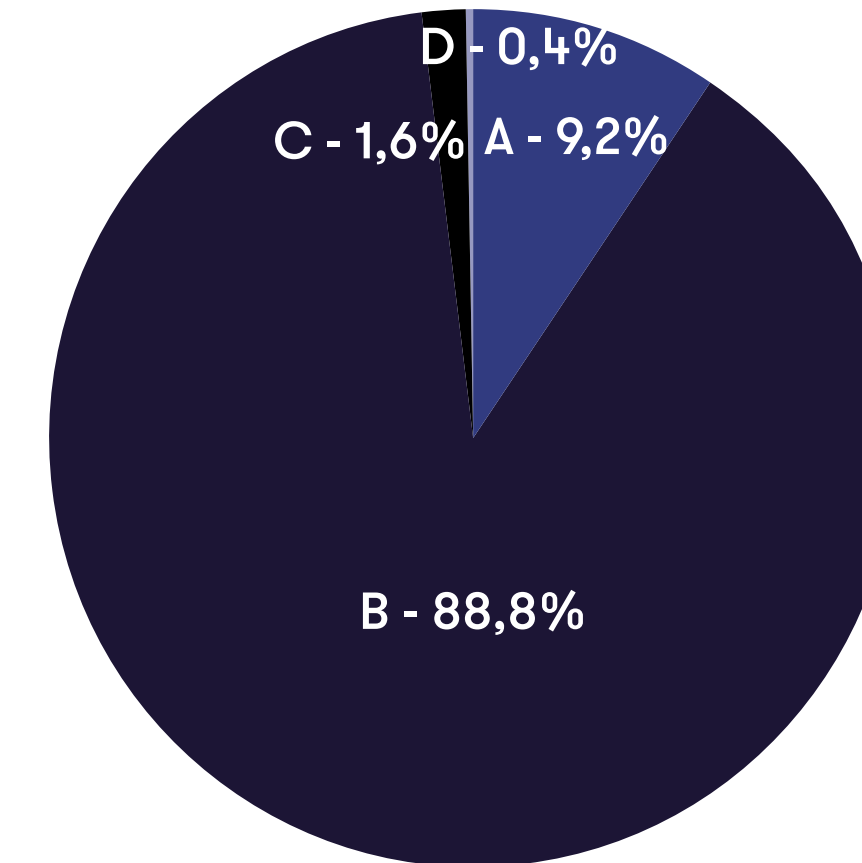
2017



2018



2019



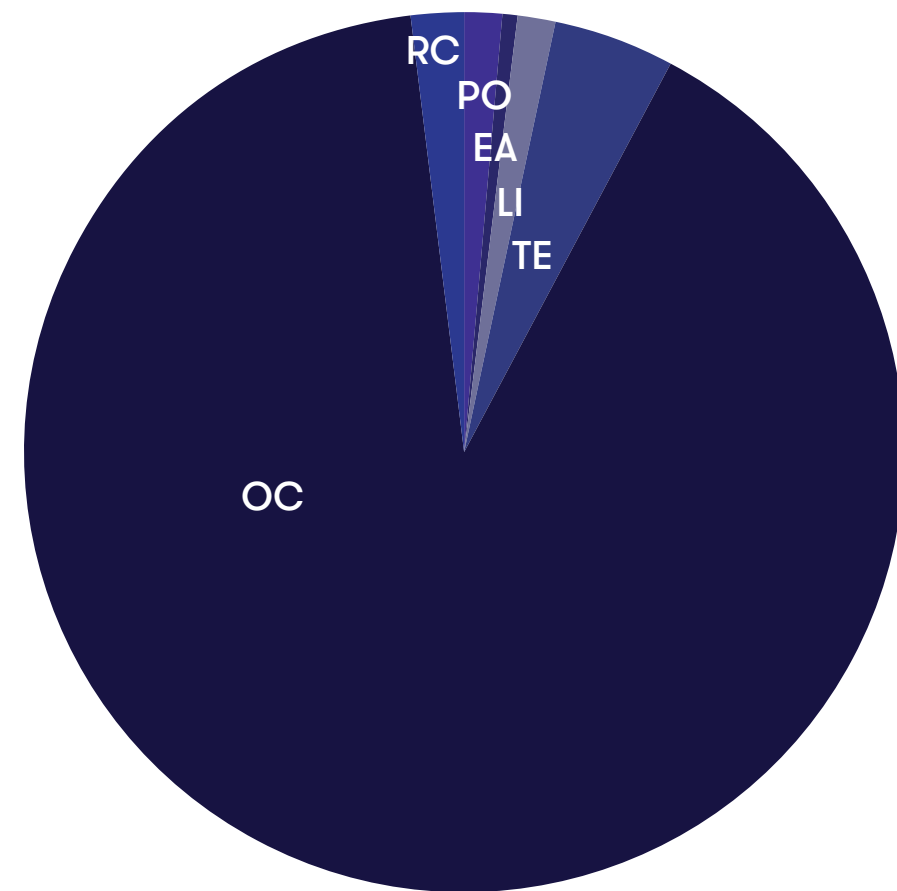
*Based on weights and quantities

We focus on increasing our A & B materials while eliminating most of our C and D materials. The use of our A materials has increased with 33,3% and will surely increase more over the coming seasons since we will focus on a bigger uptake of recycled fibres. We brought our D materials down to 0,4%, only using a small amount of PBT in some of our denim styles to ensure longevity. Over the course of 2020 we will phase out this PBT, by replacing it for T400 Ecomade from Lycra to bring our D materials to a definite 0%. We eliminated the other D fibres.

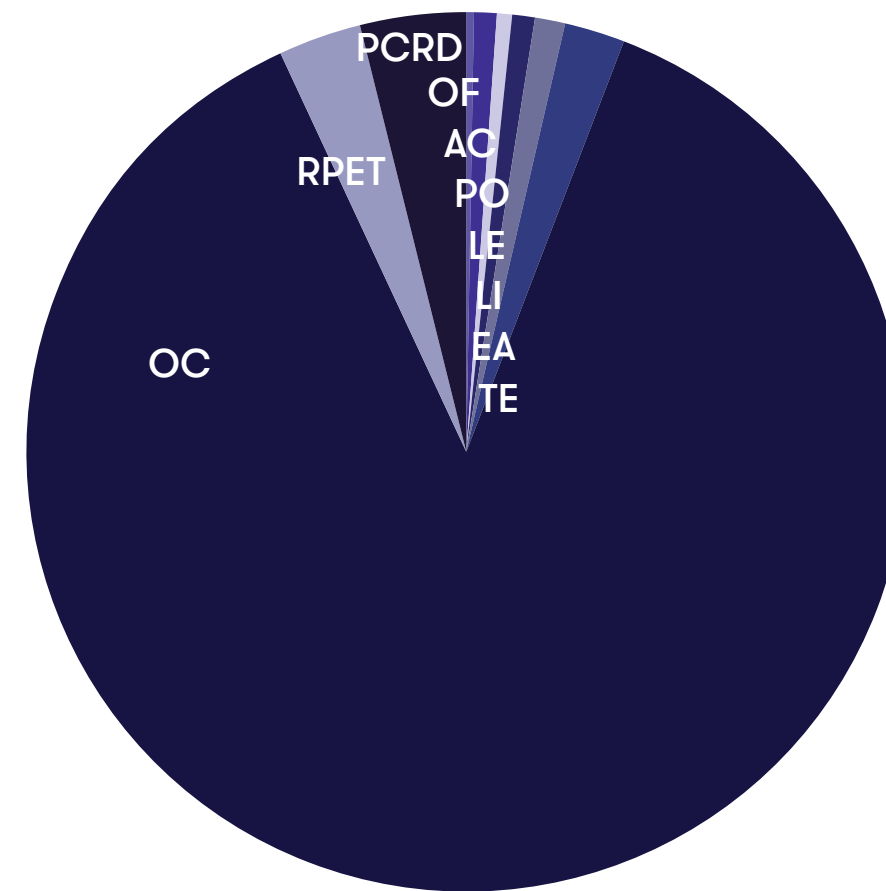


MATERIALS IN *NUMBERS*

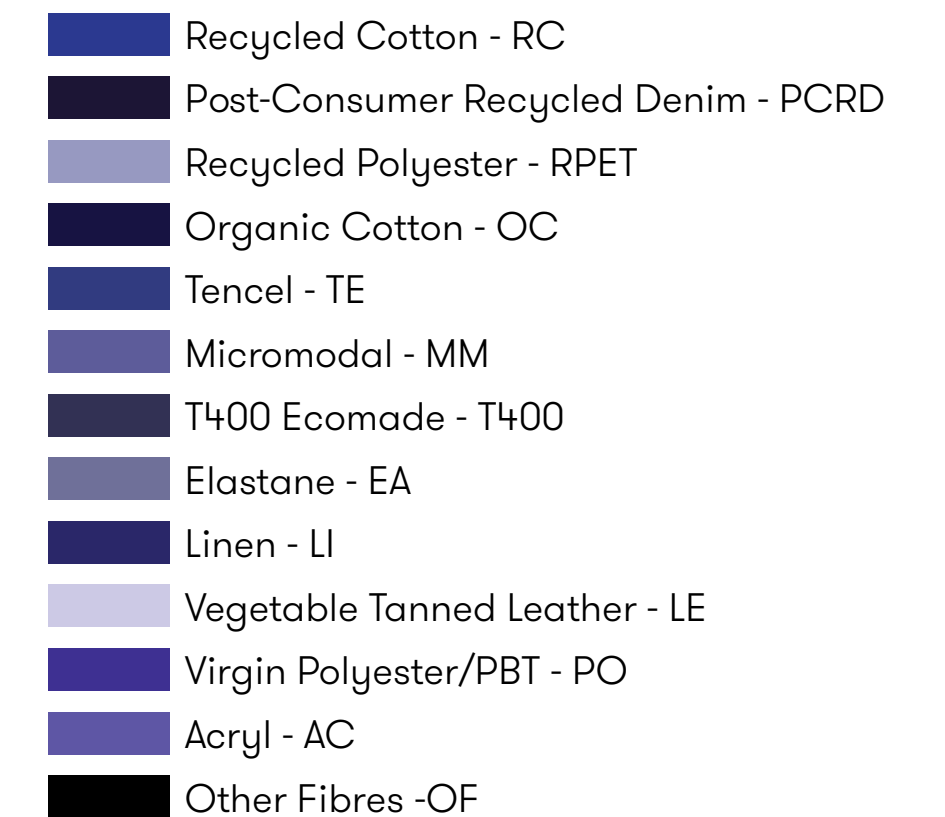
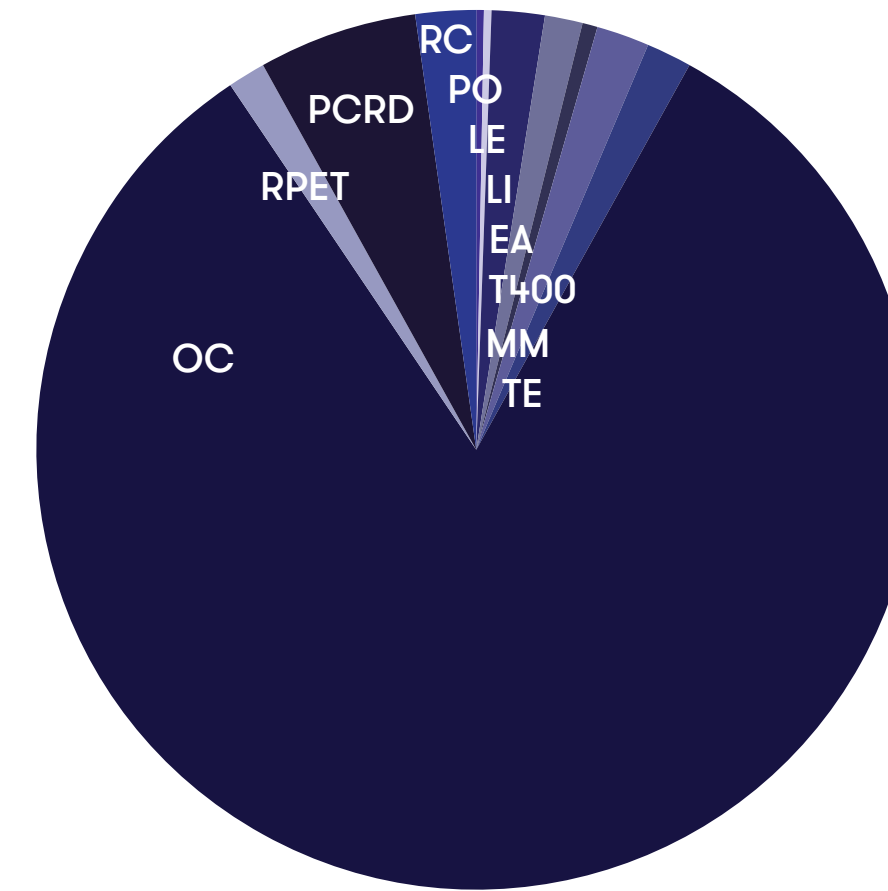
2017



2018



2019

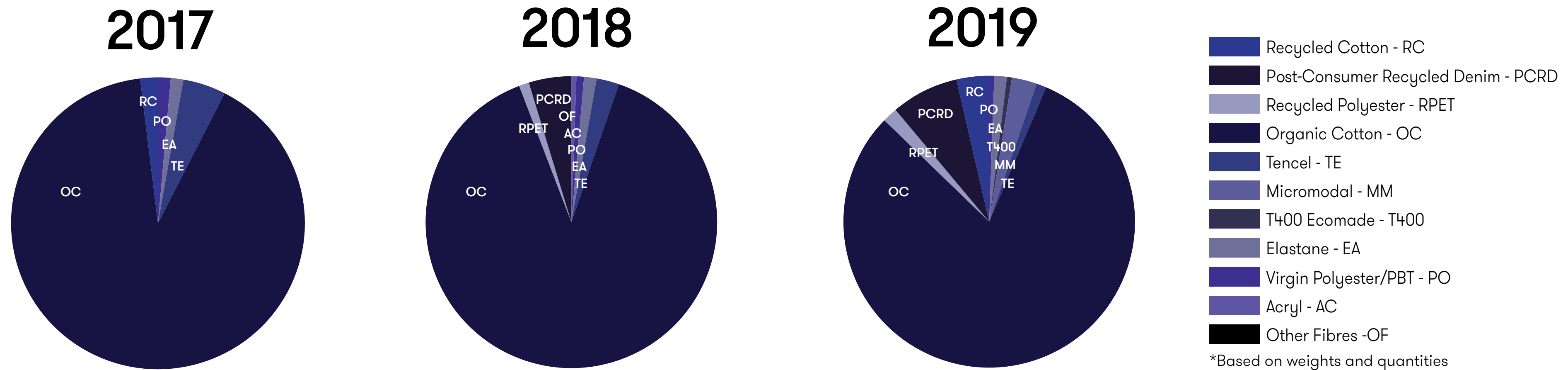


*Based on weights and quantities

Numbers can give you clarity in what you're doing and whether you're achieving your goals. We're working on using more and more recycled fibres in our pure goods and as you can see this is showing in the numbers. It resulted in a decreased percentage of organic cotton use. Don't get us wrong, we do love organic cotton. But we also recognise that it still has a big environmental impact. Therefore, we focus on other solutions, such as linen, sustainable man-made fibres and recycled fibres to decrease the impact of our garments.

	RC	PCRD	RPET	OC	TE	MM	T400	LI	EA	LE	PO	AC	OF
SCORE	A	A	A	B	B	B	B	B	C	C	D	D	D
2017	1,7%	0%	0%	90,3%	4,5%	0%	0%	0,7%	1,3%	0%	1,5 %	0%	0%
2018	0%	3,9%	3,0%	87,2%	2,1%	0%	0%	0,7%	1,3%	0,4%	0,9%	0,4%	0,1%
2019	2,2%	5,8%	1,2%	82,5%	1,7%	2,1%	0,6%	1,9%	1,3%	0,3%	0,4%	0%	0%

MATERIALS IN NUMBERS *FOR JEANS*

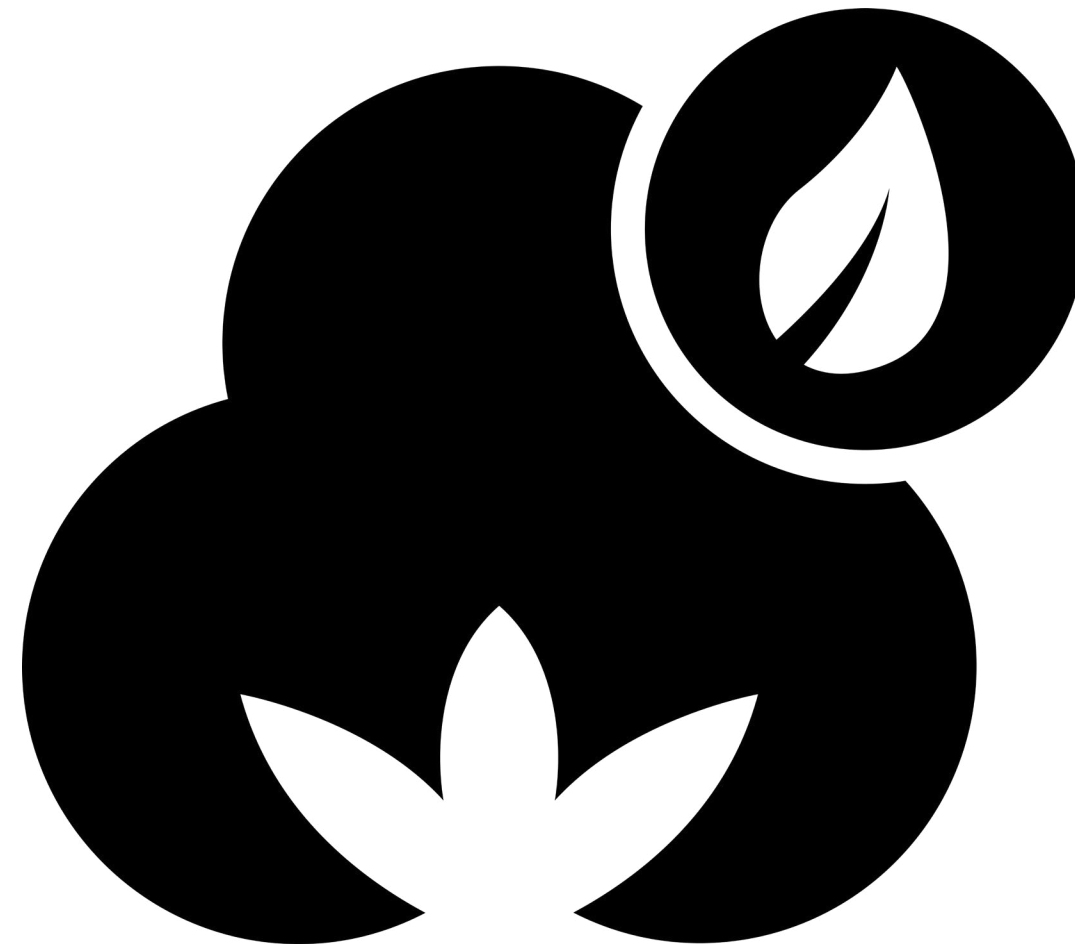


Jeans are the core of our business, but jeans are also the garment with the biggest environmental impact compared to other garments. We started to improve the environmental impact of denim since 2003, when we brought our first organic denim to the market, and have continued to work on decreasing this impact ever since. Our biggest innovations are focused on our denim products, since the biggest impact gains can be made here. Throughout this report we will also highlight the improvements we made within jeans solely. Here we show how we've improved our denim fibres portfolio.

The numbers show you that we replaced virgin organic cotton fibres for recycled cotton and post-consumer recycled denim fibres. We also opt for Tencel and Micromodal fibres from Lenzing to decrease the environmental impact, since they perform better compared to organic cotton and are trying out T400 ecomade for a more durable stretch in our jeans. We dive deeper into our materials on the next pages of the report.

	RC	PCRD	RPET	OC	TE	MM	T400	EA	PO	AC	OF
SCORE	A	A	A	B	B	B	B	C	D	D	D
2017 DENIM	1,8%	0%	0%	90,5%	4,8%	0%	0%	1,4%	1,5%	0%	0%
2018 DENIM	0%	4,5%	1,3%	88,9%	2,4%	0%	0%	1,4%	0,8%	0,5%	0,2%
2019 DENIM	3,4%	7,5%	1,6%	80,8%	1,2%	2,7%	0,8%	1,4%	0,6%	0%	0%

USING **ORGANIC COTTON** SINCE 2000



ORGANIC COTTON

Kuyichi has been a driver for change in the cotton industry from the beginning. When we started in 2000, organic or fair trade cotton was of no interest for brands. Too difficult, too expensive and nobody was asking for it. We started to cooperate with cotton farmers in different countries like the Oro Blanco group in Peru. To give them a direct market for their fair trade and organic cotton or, if necessary, help them to transition towards these practices. We still vow to always use solely organic cotton in our products and will continue to do so.





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ORGANIK
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ONLY 0.7%* OF
WORLDWIDE
COTTON IS
PRODUCED
ORGANIC

*Textile Exchange - Organic Cotton Market Report 2019

ALWAYS CERTIFIED



GLOBAL ORGANIC TEXTILE STANDARD

All the cotton we use in our products is GOTS certified organic, even our pocket lining!

GOTS stands for the Global Organic Textile Standard. This is a global textile standard for organic fibres, which also includes ecological and social criteria. The aim of the standard is to ensure organic standards – from the farming, through the manufacturing process to the labeling, proven by a chain of custody. A chain of custody is a system in which each transaction is confirmed with a transaction certificate that confirms the seller has played by the rules of the certificate for the particular products. A new transaction certificate is only possible if you have one from the transaction before. This makes GOTS a credible global certificate to the consumer, from materials to the end product.



NATURAL FIBRES

When it comes to raw materials, we do have a preference for natural materials. They feel amazing on your skin, are durable and give our pure goods the high quality they're known for. That is why the majority of our fibres are natural based. All natural fibres are farm-grown, they need lots of water, land and sun to grow, in which their impact is hidden.

ORGANIC COTTON

Conventional cotton is the big spender when it comes to water & pesticide demand. 1 kg of cotton consumes up to 20.000 L of water, depending on where it is farmed. Depleting groundwater sources, sometimes in areas that already have water shortages. Also, while only covering 2,5% of our agricultural lands, cotton accounts for 16% of all the insecticides and 6,8% of all herbicides worldwide*. Pesticides pollute soil and water, killing wildlife and harming communities.

Kuyichi has from the beginning advocated for organic cotton. Since a long time we only use GOTS (Global Organic Textile Standard) certified organic cotton in our pure goods to be certain of a high organic standard. To us it's the only way to go, since organic has so many benefits over conventional. It's pesticides, chemical fertilizers and GMO seeds free and uses less water because of better irrigation systems and soil health. We love organic cotton, but do also acknowledge it's environmental footprint, that is why we also focus on recycled fibres.

LINEN

Linen is made from the strong fibres in the stems of the flax plant. Flax is a low demanding plant, growing well in more mediate climates. The flax plant needs few to none pesticides. It's one of the strongest - and oldest - fibres out there with a high durability.

Organic linen is even better, using no pesticides at all. Unfortunately there is a limited availability of organic linen. Instead we've chosen to use linen yarn from local linen spinners close to our Turkish supplier Egedeniz making the linen tops. This brings the added benefit that Egedeniz is in close contact with them. The flax comes from the EU, Belgian and France flax farms supply the linen. That climate is an ideal fit for the growth of this plant. European production also brings the benefit of good regulations around pesticide use, farming practices and social circumstances.



ORGANIC
COTTON
GOTS



LINEN

RAW
MATERIALS



2020 GOAL

**TRACE BACK TO THE COTTON FARM
REGION - DEEPER INSIGHTS IN THE
IMPACT OF OUR COTTON SUPPLY
CHAIN**



MANMADE FIBRES

Manmade materials are also made from natural materials, such as woodpulp. Manmade fibres are partially natural and partially not, since they need a chemical process to make. The wood needs a solvent bath to get the cellulose out of the natural materials and make the cellulose into filament fibres. The big environmental impact differences between the fibres are found in where the wood is sourced from and how the cellulose is transformed with which solvents and in what kind of process.

All manmade fibres we use come from Lenzing, a name on it's own when it comes to manmade fibres. They only use wood from sustainably managed forests that prevail forestry legislation as their source. To limit their environmental impact they're constantly innovating their production processes to make the most sustainable manmade fibres and are also working on circular practices. Their fibres have obtained the EU Ecolabel and are fully compostable. That's why we choose Lenzing fibres over other manmade fibres.

TENCEL

Tencel is a brand name for the lyocell fibres of Lenzing. Tencel is made from FSC certified eucalyptus wood pulp. It uses a closed-loop production process, meaning that over 99% of the resources are captured and recycled from the process. Using Tencel fibres reduces greenhouse gas emissions by almost 50% and water consumption by 90% versus conventional cotton. It feels soft, doesn't crease, is durable and compostable.

MICRO-MODAL

Micro-modal is a super soft fabric that uses finer fibres than normal modal. The cellulose source comes from sustainable beech tree nurseries. Lenzing makes this fibre in a closed-loop process that limits the use of water and energy and recovers the resources needed for the production of the fibres. It saves over 10 times the amount of water needed for conventional cotton production. The micro-modal fibres have a low environmental footprint and are compostable.



TENCEL
LENZING



MICRO-MODAL
LENZING



ANIMAL MATERIALS

KUYICHI is known for vegan products, but we do have some animal based products. We do strives to only use animal derived materials from animals that are decently treated and farmed conform the Five Freedoms for animal welfare:

1. **Freedom from Hunger and Thirst** - by ready access to fresh water and a diet to maintain full health and vigour.
2. **Freedom from Discomfort** - by providing an appropriate environment including shelter and a comfortable resting area.
3. **Freedom from Pain, Injury or Disease** - by prevention or rapid diagnosis and treatment.
4. **Freedom to Express Normal Behaviour** - by providing sufficient space, proper facilities and company of the animal's own kind.
5. **Freedom from Fear and Distress** - by ensuring conditions and treatment which avoid mental suffering.

BANNED ANIMAL MATERIALS

We've banned different kinds of animal materials with high animal welfare risks. Kuyichi does not use products from:

- caged or wild animals, such as angora rabbit or vicuña
- endangered and vulnerable species as defined by the IUCN (International Union for Conservation of Nature) Red list of endangared and vulnerable species and CITES (Convention on International Trade in Endangered Species)

And bans the use of the following animal products in our pure goods:

- fur
- exotic skins
- horn & bone
- virgin down
- virgin mohair
- virgin cashmere



LEATHER

VEGETABLE-TANNED LEATHER

We do love our vegan products! However, we can also appreciate the durability of a good leather belt. For these belts we strictly only use vegetable-tanned leather. Using vegetable tanning reduces chemical risks like heavy metals and other harmful substances used in the production of the leather. Vegetable tanning is an old craftmanship that keeps nature in mind. Combine this with new environmental practices and you've got yourself a clean process.

We're proud to work with two suppliers that have good know-how about leather goods and respect this animal product by using it to the fullest.

VEGETABLE TANNERY

The leather used for our belts comes from Montana, a tanner in Tuscany, Italy. Montana is a family-owned company with over 20 years of experience in vegetable tanning. Being member of the Leather Working Group this tanner is audited on social and environmental topics, such as chemicals (conform Zero Discharge of Hazardous Chemicals), energy use, (waste) water, traceability and housekeeping.

Montana is also part of the 'Consorzio Vera Pelle Italiana Conciata al Vegetale' together with 20 other Tuscany tanneries. Since 1994, these tanneries committed to upholding the heritage of genuine Italian leather, Vachetta, produced following the traditional methods for vegetable tanning.

BELT PRODUCER

Sun Belts Europe is our partner making these quality belts, located close to Europe in the top of Morocco, Tanger. They are committed to use the hides to the fullest, by minimising their waste and recycling the left-overs whenever possible. Sun Belts Europe is regularly audited by BSCI. They only use European leather that meet high quality requirements. The relationship with the tanner Montana is close and longterm. All the buckles and other trims that Sun Belts Europe uses are produced in Europe, as are our - Italian made - buckles.



VEGETABLE
TANNED
LEATHER



PETA - APPROVED VEGAN

PETA APPROVED VEGAN

We're very proud that almost all of our Pure Goods are officially PETA approved (with the exception of our belts and sherpa jackets)! To ensure our suppliers are compliant with the PETA certificate, we provide all our suppliers with our own questionnaire which they have to check and sign to confirm that they do not use animal contents in the garments with the PETA approved trademark. Because of this questionnaire we know exactly which of our products are vegan and which aren't. In 2018 we've obtained our PETA approved certificate.

PETA (People for the Ethical Treatment of Animals) is one of the biggest animal rights organisations worldwide. PETA provides companies and consumers with a list to identify and avoid animal ingredients in textiles, shoes and accessories. From obvious materials such as wool to contents that are used in processing like gelatin, fatty acids, etc. Many denim brands use a leather patch on their jeans. We decided to stop using leather patches in 2016 and replaced it for a patch made of jacron, which makes most Kuyichi jeans vegan. Read more about our patches in the pages of this report.

RAW
MATERIALS

SPINNING

DYEING

WEAVING OR
KNITTING

CUT-MAKE-TRIM

FINISHING

USING

RECYCLING



RECYCLING CRASHCOURSE

Before we start by explaining you about our use of recycled fibres, it is important to get you familiar with some recycling lingo. Like the different kinds of waste streams and their challenges. Number one rule for recycling: 'The less information you have about what is inside your waste stream, the more challenges it brings to recycle it.' In other words, the further in the production chain you take your waste stream from, the more difficult it will get. You can see the different options of waste streams, and their 'official names' below.

PRE-PRODUCTION WASTE

Pre-production waste is the waste from all waste streams in production:

- Fibres from spinning & dyeing
- Defected or overstock fabric from weaving
- Scraps from cutting

BENEFITS

- Increased material efficiency at facility
- You know what is inside of your waste stream (kind of fibres, composition, etc)

CHALLENGES

- Yarns and Fabrics are often already composed of different materials. Blends are more difficult to recycle.

PRE-CONSUMER WASTE

Pre-consumer waste are a waste stream of garments which have been fully produced but appear to have defects (B-choice) or clothes that remain unsold.

BENEFITS

- Reuse instead of disposing or incinerating a valuable resource stream.
- You have information on what is inside of the waste stream.

CHALLENGES

- You need to take apart the garment before you can mechanically recycle it.
- Garments of blended composition are more difficult to recycle.

POST-CONSUMER WASTE

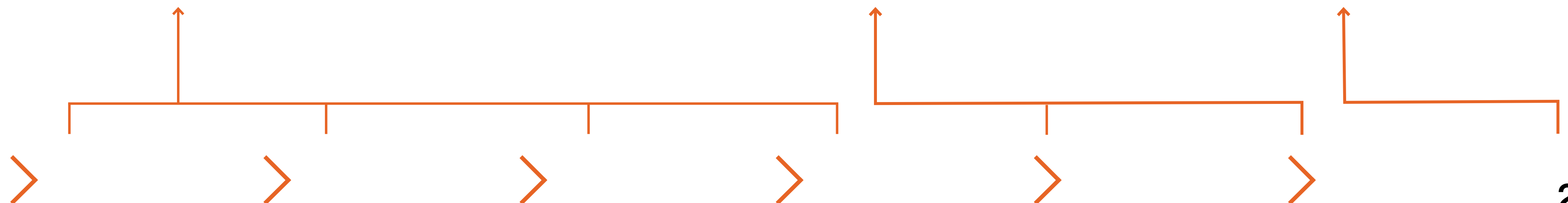
Post-consumer waste are simply worn clothes that are then disposed. We still have to improve the solutions for this waste stream, but by disposing it correctly (not with the regular trash) you give your clothes the chance to be re-worn, recycled or downcycled.

BENEFITS

- Garments not suitable for reselling, get a new purpose instead of disposing or incinerating.

CHALLENGES

- You have little to no information about what is inside your waste stream. Denim is an interesting product group for post-consumer recycling, since quality denim has a high percentage of cotton.



MECHANICAL OR CHEMICAL

To dive deeper into the subject. There are two different kinds of recycling for textiles: 'mechanical and chemical recycling'. Mechanical recycling is more commonly used already, also for the downcycling of textiles into for instance padding of cars. Chemical recycling is still fully in development and shows promising solutions for the challenges described on the page before.

MECHANICAL RECYCLING

Mechanical recycling focuses on getting the waste stream back to fibres. First the waste stream is prepared for the shredder; with denim this means cutting off the waistband and taking out hardware like buttons. The cutted parts are shredded in the machine until it has gone back to fibres. Recycling PET bottles is also a mechanical process, cutting them into chips and melting them into new yarn.

ADVANTAGES

- Mechanical recycling is already fully developed.
- You only use energy to recycle the fibres into new ones.

DISADVANTAGES

- The fibres are shorter after shredding, than virgin fibres.
- Virgin fibres are necessary to increase the strength of the yarn, due to the shorter recycled fibres.
- Not the full garment can be used, parts that contain a lot of hardware and sewing threads are first cut off.
- Blended fabrics are not suitable. A contamination of up to 3% (for instance elastane) can be used, afterwards a high quality is difficult to manage.

CHEMICAL RECYCLING

With chemical recycling you can use the full garment. In a chemical bath the garment is dissolved to than be made into new yarns. This resembles the process of making man-made fibres. The end result is recycled polyester from virgin polyester and for all cellulose based fibres (cotton, linen, viscose, lyocell, etc) you get a recycled man-made fibre that can be viscose or lyocell like.

ADVANTAGES

- The full garment can be recycled.
- Can provide solutions for blended material compositions.

DISADVANTAGES

- Chemical recycling is still in development and it will need upscaling to make it feasible.
- Cellulose based fibres like cotton and linen, will not go back to their original form, but will become manmade fibres.
- It's a chemically intense process, it's already in the name, which brings the risk of pollution and reduced garment safety.



**LESS THAN 0.1%*
OF USED DISCARDED
CLOTHING IS USED
IN NEW CLOTHING**

RECYCLED SYNTHETIC FIBRES

We always choose recycled synthetic fibres over virgin synthetic fibres where possible. However, we do choose virgin if the fibres contain unique qualities for which we have not yet found a recycled or biobased option with the same performances.

RECYCLED POLYESTER

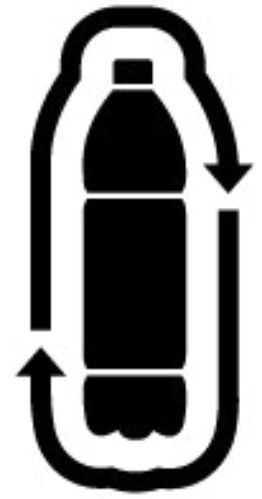
To make recycled polyester, plastic bottles are collected, shredded and re-spun. This saves over 75% of the greenhouse gas emissions and more than 90% of the chemicals needed to produce virgin polyester. Furthermore, recycling PET stops plastic from polluting the land and oceans. To confirm the source of the recycled polyester yarn we use the GRS (Global Recycling Standard) certificate on fabrics with recycled polyester in it.

T400 ECOMADE

T400 ecomade is an innovation fibre from Lycra. It's composed from one part recycled PET polyester, one part plant-based polymers and one part virgin polyester, adding up to 65% being recycled or renewable. Most stretch fibres react to the tension on the fibre, but T400 ecomade works on body warmth. The different components react differently to your body warmth, creating the stretch while keeping the shape of the fibre. This means your denim literally needs to warm up to you to give a comfortable stretch for your body. The biggest benefit of T400 ecomade is the recovery, it turns back to its original shape after cooling down, creating a lasting fit of your denim. No loose saggy stretch fabric guaranteed!

NON-RECYCLED SYNTHETICS

We do use elastane. The unique stretch quality of this fibre is hard to make from non-synthetic fibres and unfortunately we have not found recycled elastane yet. And nobody loves a non-stretch skinny jeans. The PBT (Polybutylene Terephthalate) that we use in some of our black denim styles is also a tricky one. The PBT made it possible to increase the recycled cotton fibres to 30% while keeping a high quality fabric that keeps its shape. If we would choose to leave it out or replace it by recycled polyester, the black denims would not be as durable as they are now. Cases like this make it clear that sustainability is not always a black-and-white story. At Kuyichi durability always wins in dilemma's like this, since the environmental impact of a garment keeps reducing the longer you wear it.



RECYCLED
POLYESTER
GRS



T400
ECOMADE
LYCRA



RECYCLED NATURAL FIBRES

Using recycled fibres lowers the impact of a garment drastically, since there is no water, land and other resources needed for the growing or extracting phase of the fibres. Recycling is in the spotlight and the foundation for a circular economy is starting to shape around us. We love that we can be a part of that by incorporating different kinds of recycled fibres and consciously thinking about what we put into our pure goods.

RECYCLED COTTON

Since 2012 we have been using recycled cotton in our denim fabrics. Cotton waste is captured or shredded and re-spun into a new one-of-a-kind yarn. Recycling greatly reduces the water, energy and chemicals needed to produce virgin fibres. All products stating recycled cotton use cotton fabric and fibres that are wasted in the production chain. From fibres captured during the spinning, dyeing and weaving processes, to fabric scraps in the cutting stage. This way we cut down and utilise waste streams in our facilities.

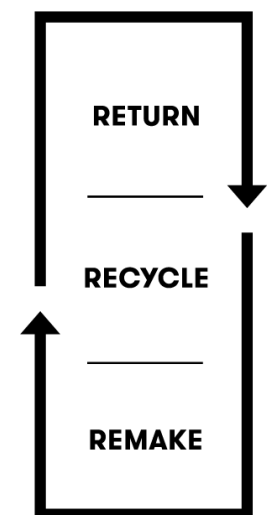
POST-CONSUMER RECYCLED DENIM

PCRD stands for Post-Consumer Recycled Denim, which means that the fibres being used for new denim, have already had a full life. It has been produced, worn and discarded. After cutting off the top of the jeans, the remains are shredded and then blended into new yarns. The top with the waistband is cut off since it contains a lot of metal parts, that can disrupt the shredder. Using the post-consumer clothing wastestream has several benefits. Fewer clothes will end up in landfill and fewer chemicals and water are needed for cotton production and fabric dyeing. This reduces the environmental impact of a garment majorly.

We both use locally collected used denim from Turkey and our own collected denim for our post-consumer recycled denim fabrics. Our denim mill and partner in this is Bossa. Together with them we've increased the use of recycled post-consumer fibres in our denim portfolio. They were also our partner in the Utrechtse jeans collaboration.



RECYCLED
COTTON
GRS



POST-CONSUMER
RECYCLED DENIM
GRS



UTRECHTSE JEANS



UTRECHTSE JEANS

“VAN UTRECHTERS, VOOR UTRECHTERS”

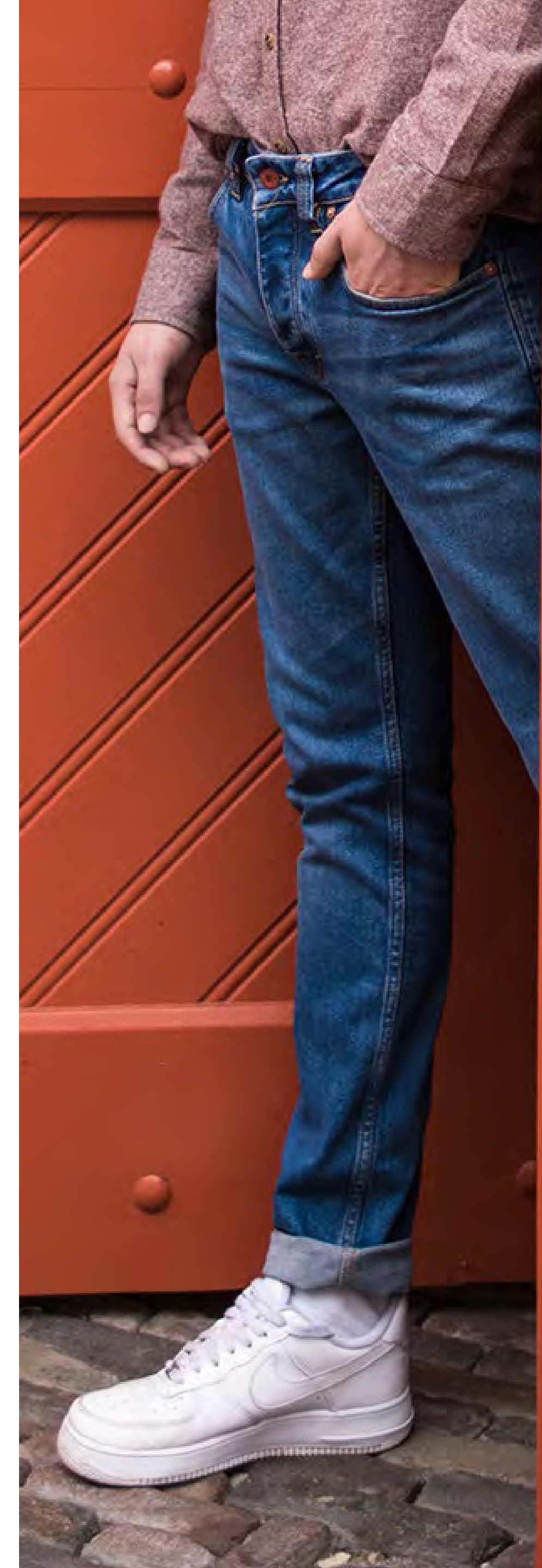
A special recycling project that we did with one of our dear retailers, De Rode Winkel: The ‘Utrechtse Jeans’. It’s an exclusive special edition denim, made from old jeans that were worn by Utrechters (residents of our hometown).

With 8000 pairs of jeans, De Rode Winkel has the largest collection of jeans in Europe. With extensive product knowledge, they provide men, women and children with their perfect pair of jeans. As a family company, they are very dedicated to conscious entrepreneurship. As De Rode Winkel is one of our first ever retailers (starting our collaboration almost 20 years ago), we’re proud to have walked this journey with them.

For this special project, we used Post-Consumer Recycled Denim (PCRD), made from old jeans that have been worn. Earlier this year, we collected old jeans from Utrechters. The first step after collecting is cutting off the trousers’ legs. It’s because only the jeans legs are suitable for recycling; the top contains too much hardware and details, such as zippers, buttons and rivets. The legs were sent to Turkey, where the entire production took place. Here our partners Gama (shredding) and Bossa (spinning & weaving), made a beautiful new fabric from it. Containing 20% worn Utrechtse jeans fibres, 79% organic cotton and 1% elastane to keep it comfy. Sarp one of our denim producers turned it into the final product.

We designed the Utrechtse Jeans to be a perfect everyday favourite. We created a slim fit for men and a skinny fit for women. The wash is one of our most sustainable washes ever, with a total EIM Score of 15. Our common love for the city was translated into subtle details. An eyecatcher is the patch of the iconic Dom Tower. The patch is vegan – making this jeans 100% vegan – and made from 48% corn waste, 26% cotton and Polyurethane. The buttons are dipped in ‘Utrechts’ red and the famous poem of Herman Berkien, “Utereg Me Stadsie”, is printed on the inside pocket. The names, “JOCHIE” and “WIJFFIE” are typical ‘Utrechtse’ names for a boy and girl.

The jeans is for sale in Utrecht at ‘De Rode Winkel’ and on their online shop.





GLOBAL FASHION AGENDA COMMITMENT

Global Fashion Agenda is a non-profit initiative, which joins forces with different partners to set common sustainability goals for the fashion industry. The Copenhagen Fashion Summit is the leading event on sustainability in the fashion industry. At this summit the 'big guys' in the industry come together with the pioneering - smaller - brands and NGO's to have a conversation about improving the industry.

'The summit has set industry targets and drove agenda-setting discussions on the most critical environmental, social and ethical issues facing our industry and planet'.

At the 2017 Copenhagen Fashion Summit, Global Fashion Agenda together with the brands present came up with a commitment to accelerate to a circular fashion system. The action points focus on design strategies, collecting used garments, increasing reselling of used garments and increasing the amount of recycled post-consumer textile fibres. These action points were found most important as first steps moving towards a circular fashion system. In 2018, KUYICHI has also committed to the Global Fashion Agenda Commitment and set their own goals to the different action points, as explained on the next page.

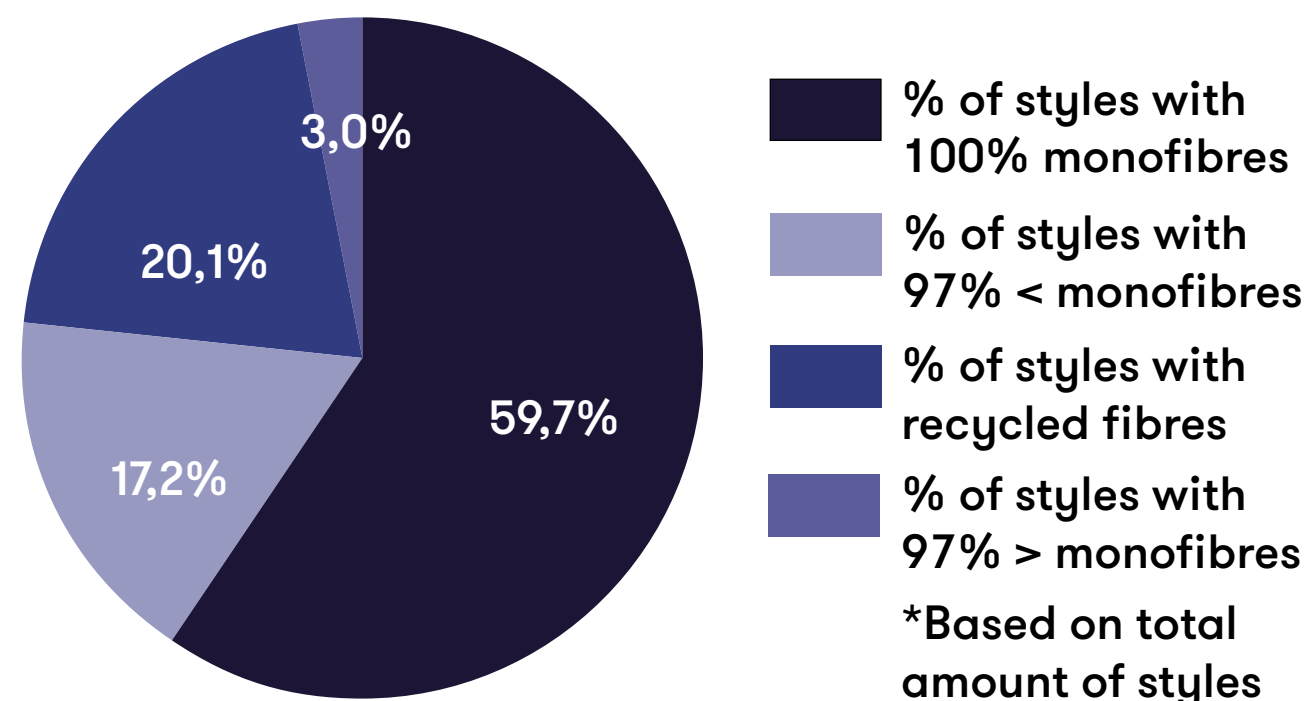


GLOBAL FASHION AGENDA ACTION POINTS

ACTION POINT 1 IMPLEMENTING DESIGN STRATEGIES FOR CYCLABILITY

- By 2020, the principles of designing for cyclability will be at the core of our designs, a policy will be made for our material usage and design process.

A policy is written and the Kuyichi team will receive extra training about circularity in 2020. Our fabrics already performs well on circularity. Most styles use recycled fibres or are suitable for recycling, with compositions of 97%-100% monofibres or more.



ACTION POINT 2 INCREASING THE VOLUME OF USED GARMENTS COLLECTED

- By 2020, Kuyichi will increase take back actions in stores – permanently and temporary in at least 10% of our stores.

We're working on this target. We're planning to launch a take back projec beginning of 2021.

- By 2020, Kuyichi will have launched a take back system for upcoming kids jeans in stores or online.

Unfortunately the kids jeans project is postponed, so we will not reach this target.

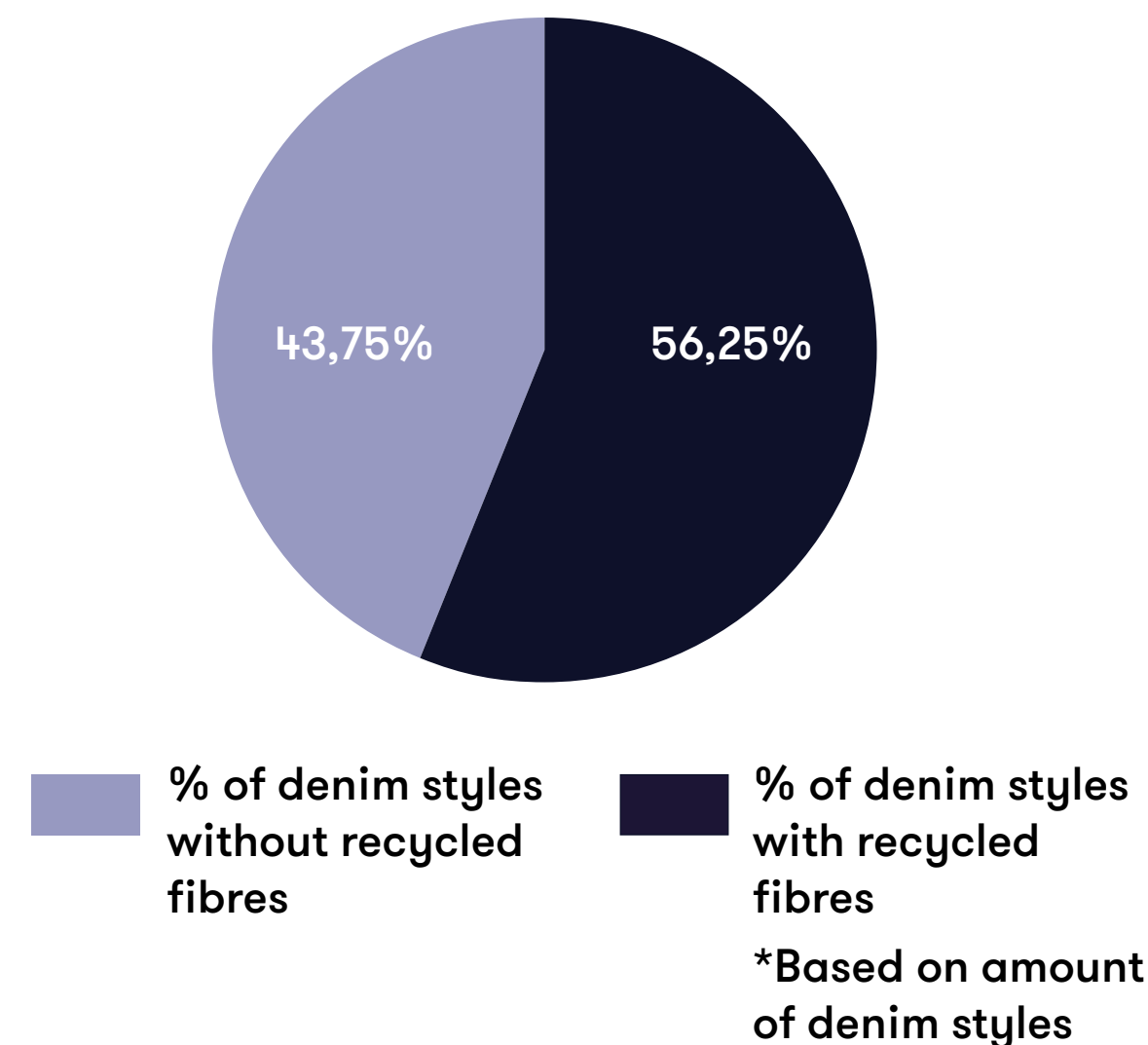
ACTION POINT 3 INCREASING THE VOLUME OF USED GARMENTS AND FOOTWEAR RESOLD

- No action points yet

ACTION POINT 4 INCREASING THE USE OF RECYCLED TEXTILE FIBRES

- By 2020, at least 75 % of our denim styles will contain recycled fibres.

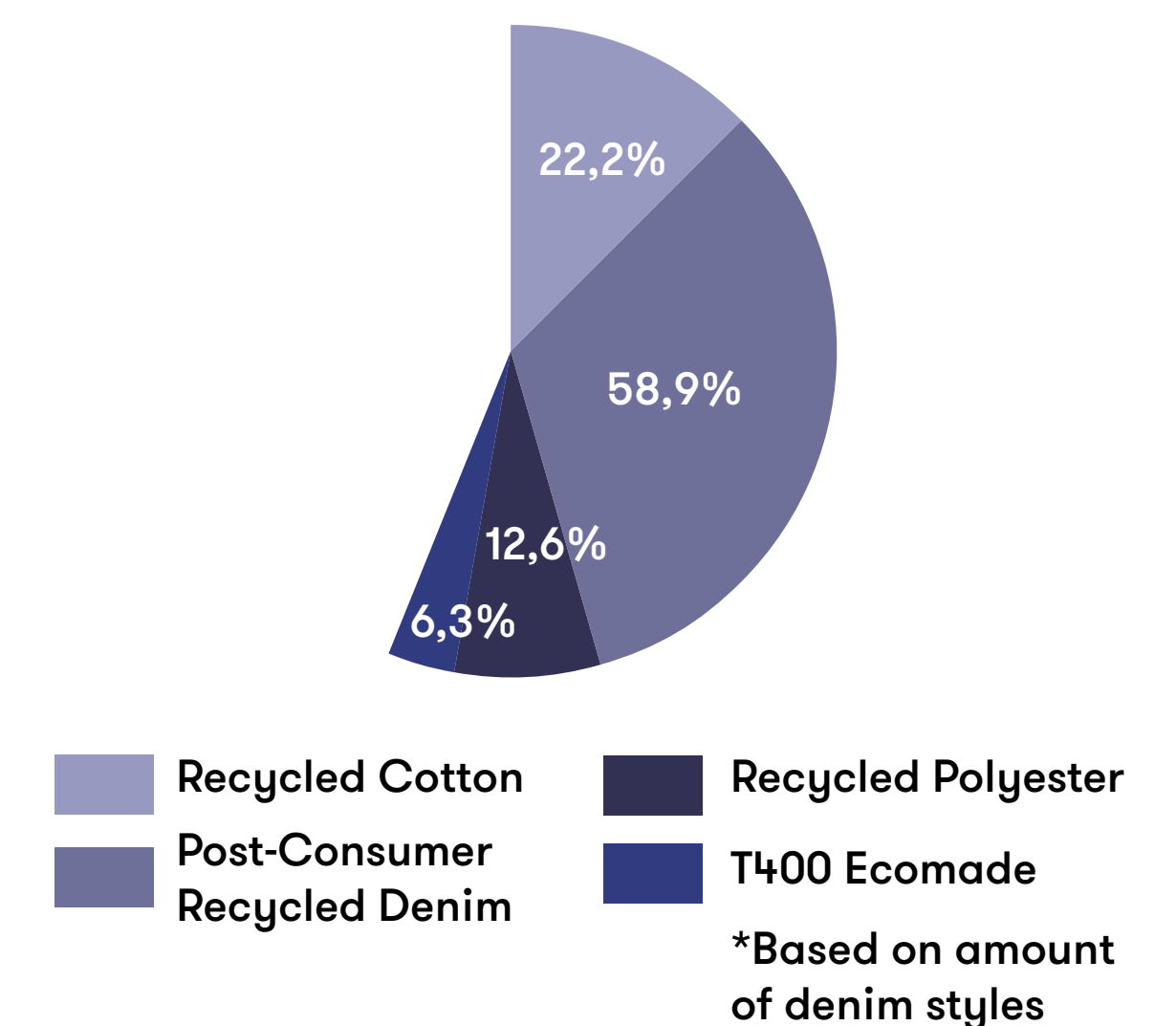
We're on the way, we hope to reach this target by 2020.



ACTION POINT 4 INCREASING THE USE OF RECYCLED TEXTILE FIBRES

- By 2020, at least 25% of these fibres are recycled from collected Kuyichi or otherwise collected post-consumer recycled fibres.

We've already surpassed this goal. We focus mostly on post-consumer recycled denim fibres, since it has the biggest environmental benefit.

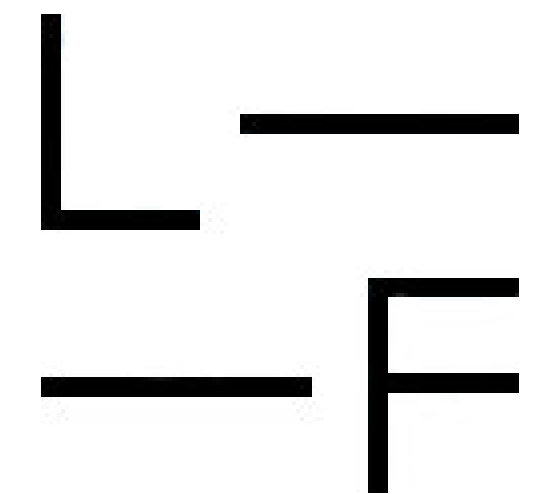


SWITCHING GEAR PROJECT

The 'Switching Gear' Project leads brands through an innovation process aimed at successful circular business model adoption, with an exclusive focus on resale and rental. It is a journey of 2 years guided by a multidisciplinary team of circularity experts, design thinkers and researchers.

As Kuyichi, we will be focusing on re-commerce business models. Denim is a durable, timeless and seasonless item and is therefore very suitable for these kinds of business models, which focus on extending a garment's active lifecycle. The **Circle Economy** team, together with their partners, will support Kuyichi in the design and launch of a circular business model pilot, that takes back and resells used denim, and combines a strong environmental and business case. The Switching Gear project will strengthen Kuyichi's knowledge on circularity and inspire new ways to innovate.

The Switching Gear project, supported by **Laudes Foundation** (formerly C&A Foundation), is part of the **Bridging the Gap** initiative, a group of six organisations working to stimulate sector-wide collaboration, facilitate innovative technologies and the design of best practices to enable the implementation of circular business models in the fashion industry's supply chain. Other strategic partners of the Bridging the Gap group include the World Resources Institute, WRAP, London Waste and Recycling Board, QSA Partners and Forum for the Future.





2021 GOAL
LAUNCHING A NEW *CIRCULAR*
BUSINESS MODEL PILOT

ORGANIC COTTON
A SUSTAINABLE PRODUCT BY
KUYICHI
PURE COTTON

FABRICS



FABRICS STRATEGY

Through the fabrics. A quality garment needs a quality fabric. Therefore, we choose our fabrics with care. As a general rule at KUYICHI we do not like overstock. This rule is the core of our fabrics strategy. We use our fabrics to the fullest, let's explain to you how.

CORE FABRICS

If you love a fabric, you have to cherish it. That's exactly what we do. Some fabrics are multiversatile, it can result into a lot of different beautiful washes. A good example for this is our core fabric with 20% Post-Consumer Recycled Denim from Bossa. We started to use this fabric in the first half of 2018 for our NOS Classic Blue styles (Joy, Nick & Scott) and we continue to integrate it in new styles such as the Nick Lived In and Lisa Worn Indigo and more styles to come for the new collections.

The benefit of this is that we can book the fabrics upfront, we know it will be used for one or more of the styles eventually. This shortens the production time of (re-)orders, without pressuring our suppliers, by taking out the time that is needed to produce a fabric and directly start with planning the CMT-production.

QUALITY FABRICS

Our fabrics need to meet our quality standards to make sure that you will get a product that meets your expectation. These quality standards are focused on, amongst others, strength, non-pilling, colour fastness and how it reacts to washing, like shrinkage. We choose quality fabrics to make sure you can enjoy your pure goods as long as possible.

NO LEFTOVER FABRICS

We always clean our fabric stock, let no meter go to waste. We rather raise the quantities of a production if it's a low amount of meters. If not, we find a new purpose for the leftover fabric. For instance by using it for a new style. The bottom line is that we clean our stocks and let no resources go to waste. It's the foundation of sustainable production.





**12%* OF RESOURCES
IS ALREADY LOST IN THE
PRODUCTION PROCESS
OF CLOTHING**

FABRIC CERTIFICATIONS

We use certifications on different levels. The certification standards that we use, are build around a chain of custody system. With this system, every transaction from one certified body to the other in the supply chain is proven with a Transaction Certificate. This certificate is the proof throughout the chain that the criteria are met.

GLOBAL ORGANIC TEXTILE STANDARD - GOTS*

GOTS is a global textile standard for organic fibres, which also includes ecological (environmental policy, chemical restrictions) and social criteria (based on ILO standards). The production facility gets a yearly GOTS audit to check on the GOTS criteria. For the fabric these criteria translate to, amongst others, chemical restrictions in dyeing process and restrictions on fabric composition. Between 70% and 100 % of fibres need to be organic and restrictions such as no non-organic natural fibres and limited synthetic fibres.

GLOBAL RECYCLING STANDARD - GRS*

However, GOTS does not allow recycled fibres from non-organic source. That's why this twin sister was brought to life by Textile Exchange: GRS, proving verified recycled content instead of organic content. GRS certification also includes social and environmental criteria and chemical restrictions in processing. With GRS the origin of recycled material is also confirmed as pre- or post-consumer. At least 20% of the fibres in a product need to be of recycled origin to apply for a GRS certificate.

ORGANIC CONTENT STANDARD - OCS*

In our fabrics with recycled fibres we do of course also use organic fibres. OCS certification is a standard to claim this organic content. They do not have extra criteria when it comes to environmental, chemical or social standards. Instead they fully focus on the credibility of organic content. If a product consists of 5% to 95% you can apply for OCS blended certification or for OCS 100 if more than 95% are organic fibres. For our recycled fabrics we often use OCS blended certification as proof for the organic content.



*GOTS Standard
*GRS Standard
*OCS Standard

SPINNING & DYEING

A lot of processes are involved to go from fibre to fabric. Like preparing, spinning, (rope) dyeing, sizing, weaving, scouring, and even more. Choosing a fabric can result in big differences in environmental impact. A lot of the impact of a garment is decided with the choice of a fabric. It's the phase where you choose the materials, but besides you also choose which kind of processes it needs.

SPINNING

Spinning is the process of converting the raw materials into a thread. Most of the times the raw materials have already gone through a process before the spinning process, like ginning with cotton and retting with linen. The fibres are then fed to a machine that spins it into a yarn. Depending on the kind of fabric you want to create the thickness and composition of the yarn is determined. The result is a yarn of mono-material or a blend, such as cotton with elastane.

DYEING

For denim fabrics the common way to dye is yarn dyeing. In this process the yarn is dyed before it is woven. Also commonly used for knitted fabrics. Bundles of yarn go through dyeing baths, as seen on the right side of the page. Other options are fabric and garment dyeing, in which a fabric or garment as a whole is dyed. Special about denim yarn dyeing is that the indigo only dyes the outer parts of the yarn, leaving the core white. This gives denim fabric the ability to fade and get the worn-in look that we like.



WEAVING OR *KNITTING*

In the weaving or knitting phase of the supply chain, a lot of threads and needles are involved. The way these needles move determines the pattern of the fabric, no matter if it's a woven or knitted one. The techniques are really different as are the results.

WEAVING

In this process the DNA of a fabric is decided. From smooth flowy fabrics to really stiff ones. Weaving works with interlacing threads, a warp (vertical) and weft thread. The weaving DNA of denim is based on a twill weave, recognised by both the vertical and diagonal lines you can see in the fabric. This type of weaving creates strong durable fabrics. In original denim the weft yarn is undyed while the warp is indigo dyed, this gives the fabric the lighter colour on the inside and the deep indigo colour on the outside of the fabric.

KNITTING

Not all fabrics are woven, some are knitted. Knits are not composed with a warp and a weft, instead it works with a single thread that makes loops in a row. This gives the fabric the stretch you know from your T-shirts or knitwear. Knitting can result in a fabric, but you can also knit panels or full garments. The last two have a higher material efficiency, resulting in - almost - no waste designs.



**WEAVING OR
KNITTING**





**ON AVERAGE WE USE 1.3 METER
OF FABRIC FOR A PAIR OF
WOMENS AND 1.5 METER FOR A
PAIR OF MENS JEANS**

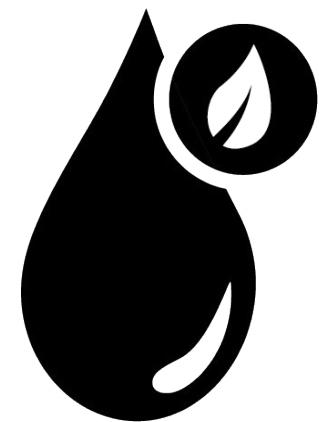
DYEING PROCESSES

Indigo dyeing does not dye to the core of the yarn, which gives denim the feature that you can create washes by burning or scraping away the top layers of the fabric. Indigo as a colour appears green in water, only if exposed to oxygen it oxidises into the deep blue indigo colour we know. That is why the yarn goes through several baths of water, getting exposed to oxygen inbetween. This process has a high water and chemical impact. Fortunately, improved processes are constantly in development or already implemented.



CHEMICAL RESTRICTIONS

Like all production processes, the dyeing processes have to be compliant with the KUYICHI (M)RSL. In this document we restrict both the limits of the chemicals that are used in the process (MRSL) and the limits of what is left in the garment after the process (RSL). A part of our denim fabrics are GOTS or GRS certified, standards that also have chemical restrictions that meet or surpass our (M)RSL. We explain more about our fabric certifications on the next page and more about chemical policy can be read under **E**



BETTER DYEING TECHNIQUES

We always aim to lower the environmental impact of our products. That's why we use advanced dyeing techniques and innovations of our suppliers. Pre-reduced indigo, analine-free dyeing and low sulfide salts techniques that result in lower water impact and cleaner waste water. All our dyeing facilities have good waste water treatment plants in place to make sure no hazardous compounds are released into the environment. Some also work with the testing and reporting methods of Zero Discharge of Hazardous Chemicals (ZDHC), an organisation focused on bringing down negative chemical impacts in the fashion industry.



HERBAL INDIGO DYE

For our NOS styles and customer favourites Amy Herbal Blue and our Skylar Blue styles (Jamie, Roxy & Neneh) we use natural indigo as dyeing pigment. The colour indigo has a rich history. Natural indigo is one of the oldest colours used for dyeing textiles. Blue pigments – from blue plants like the indigofera plant – were rare and therefore it was an expensive color. In the 19th century synthetic indigo was developed which made it cheaper. Unfortunately, synthetic pigments are more polluting, as these pigments don't biodegrade, while natural indigo does. The current demand for indigo dye can not be covered with natural indigo due to water and land demand, that is why we are always looking into other low-impact dyeing techniques as well.



DYEING





2025 GOAL

**ALL DENIM FABRICS DYED WITH
IMPROVED DYEING TECHNIQUES**

(LESS WATER / LESS ENERGY / LOWER CHEMICAL IMPACT)

PRODUCTION



CUT-MAKE-TRIM

The Cut-Make-Trim or CMT phase is one of the most labour intense processes in the production chain. This is where the biggest amount of people touch the product. Every seam, every stitch, every button is done by the hands of a person, with a little help of machines of course. It's in this step that it's most visible how many people are involved in the process to make a garment. Let's not forget, fashion is a (wo)man-made product in the literal sense of the word.

PATTERN MAKING

To ensure the perfect fit, you have to make the perfect pattern. This is a job that requires a lot of experience, since the difference is hidden in millimeters or a slightly more steep curve. Together with our suppliers we work on new fits until it's completely how we imagined and we keep improving our current fits if needed. These patterns are most commonly made in a CAD - Computer Aided Design - program, this makes higher quantities and the scaling for size ranges easier.

CUTTING

The patterns need to be cut out of the selected fabric. These are cut 'by hand' with mechanical scissors and workers wearing protective wear or cut by big (laser) cutting machines. You end up with the cut patterns and cutting waste. To minimise the cutting waste you need to use the fabric efficiently. The CAD program can calculate and define the most efficient way to place the patterns on the fabric. We always strive for the lowest 'usage' possible.



THE *PRODUCTION* LINE

MAKING

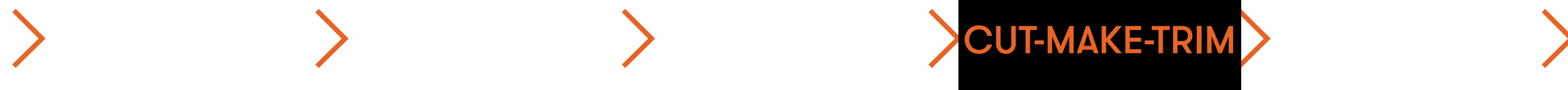
The patterns need to be put together in the sewing line. Every product has similar kind of steps, but the difference is in the detail. The thickness and colour of the yarn or the distance between stitches. Every machine is tailored to the different tasks it performs, stitching a side seam, putting in a zipper, putting on the wasteband or attaching the beltloops. The patterns are added piece by piece, you can see the garment 'grow' when it moves through the sewing line. When every part is attached and stitched, it's ready for the next step. A pair of jeans needs to go through at least twenty pairs of hands before it is fully composed.

TRIMMING

To finish the product, trims are added. Trims are all added parts of a product, think about (care)labels, buttons, rivets and other details. Some are already added in the production line, like zippers, others are added after the laundry process, such as buttons and hangtags. Buttons can be stitched on by a special machine, or they can be pressed on. For this, two different parts are pressed together by a machine with the fabric in between.

QUALITY CONTROL

Before the finished garments are send to us, it goes through several hands at the quality control. Here they check each garment on defects or errors, but they also cut off loose threads. Every garment is checked, to make sure the quality that customers expect is also delivered.



A woman in a light blue uniform is walking through a garment factory aisle. She is carrying a bundle of light blue fabric. The aisle is lined with metal carts filled with dark blue fabric. The floor has a green stripe. In the background, there are more carts and a doorway. A sign on the wall reads "SİGARA ÇILMIZI".

**YOUR GARMENT PASSES
OVER TWENTY PAIRS OF
HANDS IN THE SEWING
LINE ONLY**

SAFE AND **NON-HAZARDOUS** TRIMS



OEKO-TEX 100 STANDARD

OEKO-TEX 100 is a certification standard that focuses on quality and chemical safety of textile products and accessories. The standard works with a criteria catalogue to which all different components of a product need to comply. Independent parties perform tests to check on for instance substances that are harmful to our health. In practice this means that all of our zippers, buttons and sewing threads are tested and clear of harmful substances.

Some of our trims are also Bluesign approved, a certification that looks holistically to the chain, based on input stream management. Bluesign certificate confirms that not only the end product complies, also the substances that go in are in the Bluesign criteria. Eliminating harmful substances throughout the process.



TRIMS

Trims are all the extra parts that are needed to put the jeans together, such as zippers, buttons, rivets, labels, but also the sewing threads. We've relocated the majority of our trims to local facilities in Turkey. The reason being that most of our production takes place in this country and therefore it makes sense to source all the trims locally, reducing transportation impact. Furthermore, it helps keeping trim stocks low and avoids overstock, since our suppliers all use the same stock and we finish stocks before we change to new kinds of trims. Improving on this micro-level of a product may seem like a little change, but every little step leads to a lower environmental impact in the bigger picture.

ZIPPERS

All our zippers come from the hands of 'Zipper King' YKK. In 2020 we will transfer from conventional zippers to zippers with more sustainable tape, the part you use to sew the zipper into the garment. One using recycled polyester instead of virgin polyester tape, made from recycled PET bottles and chemically recycled post-consumer polyester yarn. Utilising this waste stream. The other zipper uses organic cotton tape. The benefit of the organic cotton tape is that for garment dyed products you don't need to dye the tape beforehand. The metal from the organic cotton zippers are also made with non-finished brass. Making the metal parts more sustainable as well.

BUTTONS

All of our metal buttons and rivets are made by YKK. They use eco finishes on these buttons, eliminating electroplating of the buttons. This minimises the energy use for the button production and therefore the environmental impact of the buttons. The OEKO-TEX 100 certification ensures that all our buttons are heavy metal free.

LABELS & PAPER

We use different kinds of labels in our jeans. Our labels in the waistband and the ones we use on our tops are made from recycled polyester, also locally made in Turkey by APxpress. All our paper labels are made from recycled paper. This way we try to limit the environmental impact of these 'throw-away' articles on our jeans. The paper labels are made of recycled paper and made by Vintage Trimmings, also situated in Turkey.



“WE WERE THE FIRST DENIM BRAND USING *ECOVERDE RECYCLED POLYESTER* *SEWING THREADS* BY COATS”

SEWING THREADS

For our garments we use high-quality sewing thread from COATS, the global leader in this field. This way we ensure the quality of the make of our garments. In 2019 we've started testing their new Ecoverde threads from COATS made from recycled polyester in some of our styles. The recycled threads have exactly the same performance and durability as the non-recycled threads that are conventionally used. The goal for 2020 is to fully integrate the recycled threads on all of our denim styles.



ORGANIC COTTON

Organic cotton is 100% pesticide free. Pesticides pollute soil and water, killing wildlife and harming communities. Creating organic cotton yarn can reduce CO2 emissions by 60% compared to conventional cotton. It has the same soft, rich feel as conventional cotton, often of an even higher quality.



WAPF
Organic cotton



Organic cotton
WEFT

A SUSTAINABLE PRODUCT BY
KUYICHI
PURE GOODS

ALL THE **SMALL IMPROVEMENTS** WE MAKE, ADD UP TO A **BIG TOTAL REDUCTION** OF OUR PRODUCTS' IMPACT

JACRON PATCHES

Since 2016 we've replaced the leather patches with jacron patches on the back of our jeans. Jacron is a washable and resistant material made from - in our case recycled - paper and glue. Cadica is our supplier for jacron patches and has a facility in Turkey that we use to keep the distance to the other suppliers low.

By using jacron patches, our jeans became vegan-proof. Not only is it a vegan substitute for leather patches on denim, it also has a lower environmental and worker impact. More about vegan practices under

VIRIDIS PATCH

We loved our jacron patches, but kept searching for an even better substitute for leather. From 2020 we'll gradually change to the Viridis patch from Panama trimmings. These green PU patches are made from 48% corn polyols, 26% cotton and 26% normal PU. The corn polyols are from corn that is not used for food and therefore has no impact on the food chain. The environmental impact of this patch was also calculated with a Life Cycle Assessment and performed at least 1/3 better than conventional patches.

INSIDE POCKET PRINT

To make sure that you remember that you're wearing a pure denim that contributes to a better fashion industry, we print the sustainable concept on the inside of our front pocket. The print is GOTS certified and therefore complies with high chemical standards, ensuring a low environmental impact as well. So every time you go to make a #1 or #2, you'll get a reminder that you're making a positive change!



JACRON PATCH
RECYCLED
PAPER



VIRIDIS PATCH
CORN



2020 GOALS

**BY THE END OF 2020 ALL DENIM WILL
BE SEWN WITH *ECOVERDE RECYCLED
POLYESTER* SEWING THREADS**

**SWITCHING FROM JACRON
TO *VIRIDIS CORN PATCH***



LAUNDRY



LAUNDRY PROCESSES

Denim has a special finishing process that gives it the worn-in look that we like. Back in the days you could only buy untreated denim garments and had to work hard for your worn-in look. Nowadays we deliver jeans with this worn-in look ready for you to wear. In the laundry process the jeans is treated so the top (micro)layers of the fabric are burned, scoured or washed off. Every style has it's unique wash recipe to get to the ideal 'worn-in' look. It's a chemical intense process, but fortunately some exciting innovations have been developed over the years.

LASER

The laser machine works fairly simple. Instead of using sandpaper or chemicals, a laser burns off the micro top layers of the fabric. You first design a washing pattern, a design of where and how visible the fades need to be. This design is transferred to the laser machine, which burns the fades into the jeans. It is even possible to have text or images burned into it! Extra benefit is that it does not use any water, it's much more consistent than manually applied fades and workers are not exposed to any chemicals or dust released during abrasing of the garment.

OZONE TECHNIQUE

This machine takes in normal atmospheric air and turns this into ozone gas. The machine tumbles and in this process gives the garment a bleached look. At the end of the cycle, the machine transforms the ozone back into air and releases it back into the atmosphere. Using the ozone technique, water savings are up to 67%, chemical savings up to 85% and power savings up to 62%*.

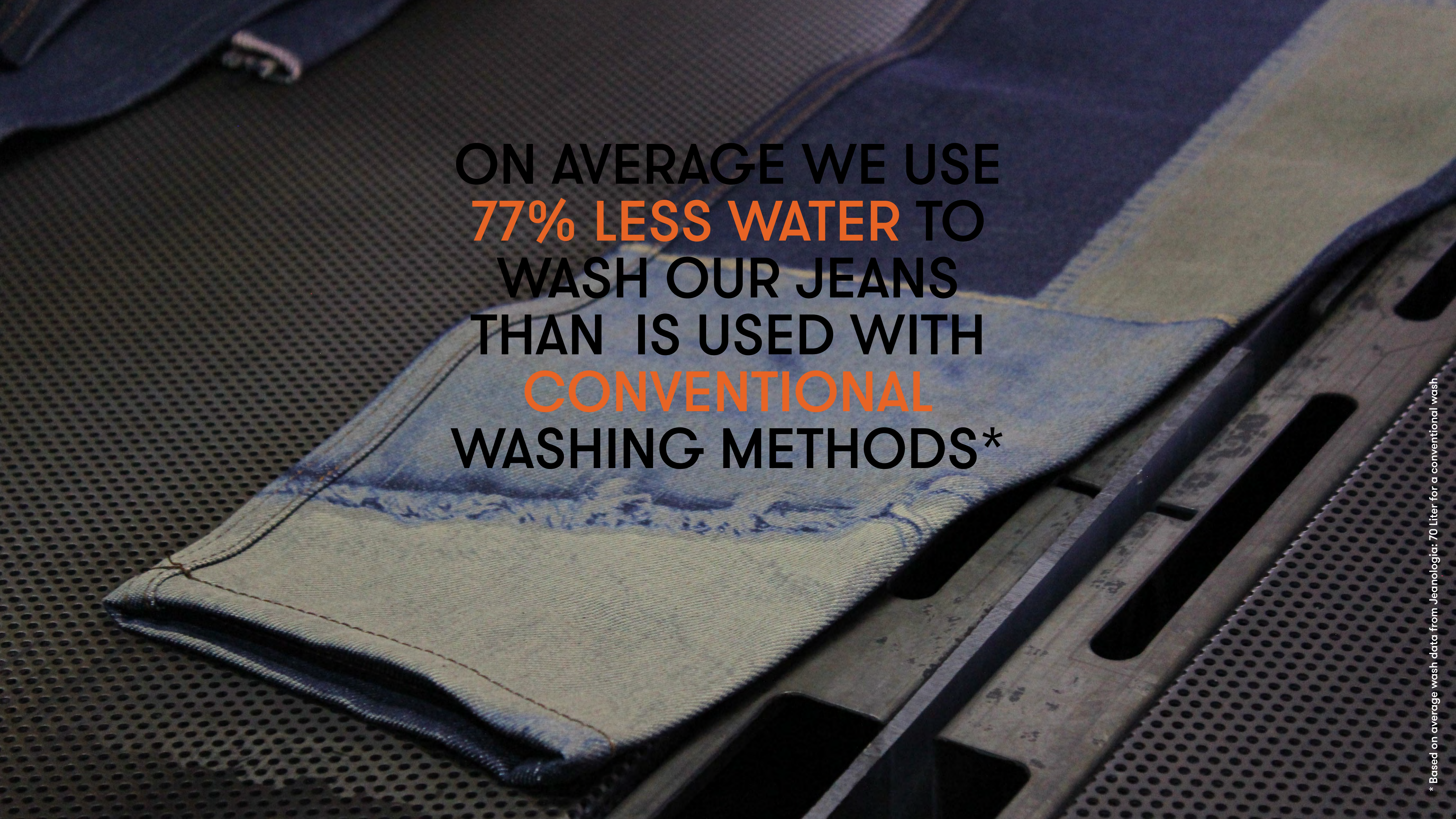
E-FLOW

This machine uses so-called nanobubbles. These air bubbles are made from water and an added product you want to use on the garment. The bubbles transport this product into the garment. Imagine it like a washing machine filled with steam instead of water. With the use of the E-Flow machine, water usage is reduced to only one glass of water per garment. E-Flow saves up to 95% water, 90% chemicals and 40% power compared to conventional washing*. It can be used, amongst others for softening and bleaching.

BETTER CHEMICALS

For almost every wash some chemicals are needed. The difference lies in the fact that one chemical is more hazardous than the other. We explain more about our chemical policy under

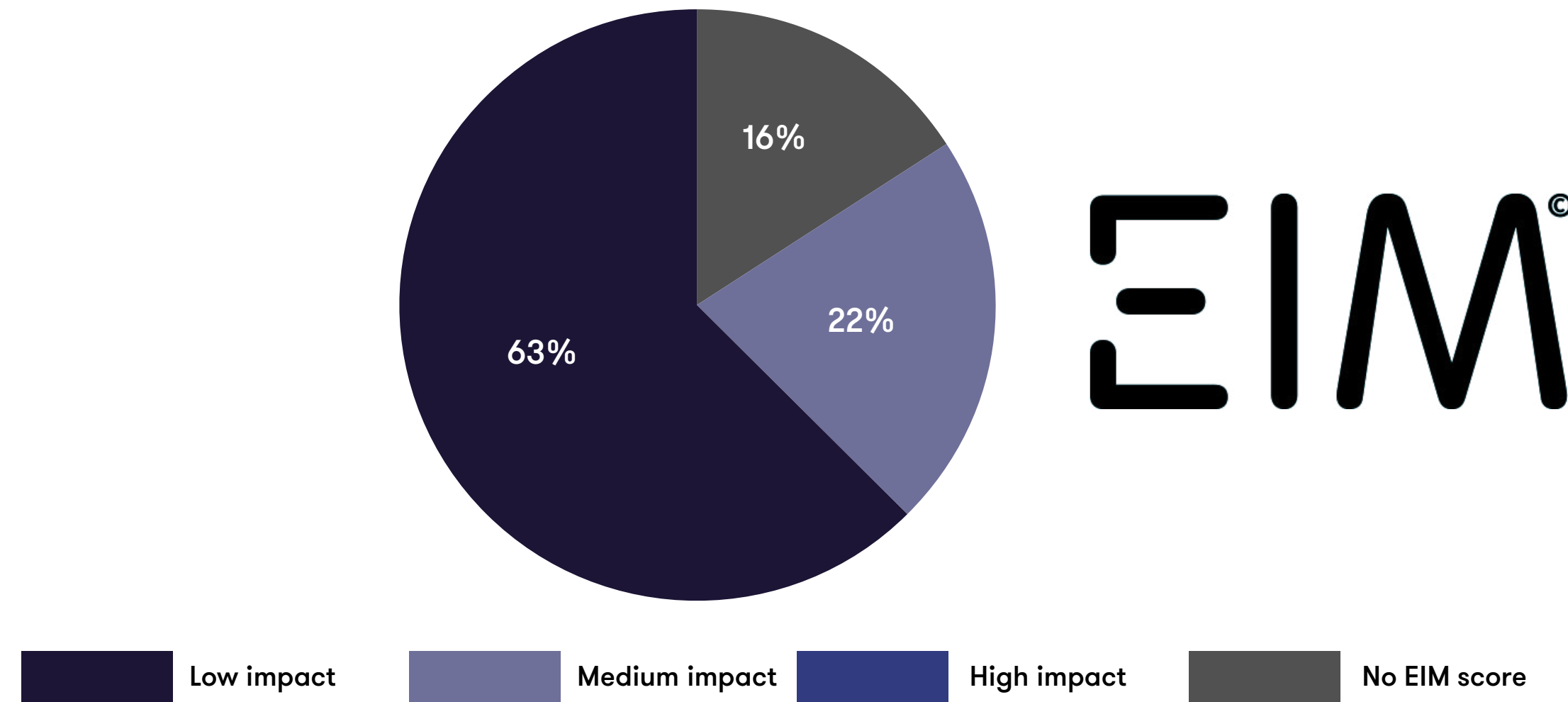




ON AVERAGE WE USE
77% LESS WATER TO
WASH OUR JEANS
THAN IS USED WITH
CONVENTIONAL
WASHING METHODS*

* Based on average wash data from Jeanologia: 70 Liter for a conventional wash

CLEAN AND *LOW IMPACT* WASHES



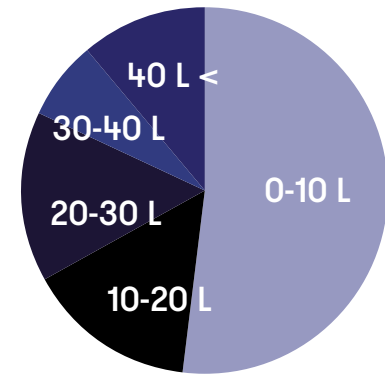
EIM SCORE

EIM stands for Environmental Impact Measuring. This tool is developed by Jeanologia, a company which develops sustainable technologies for the fabric and garment finishing industry. EIM makes it possible to calculate the exact water, energy, chemicals and worker impact of the laundry processes of our denim products. There are three different score levels: high impact (67-100), medium impact (34-66) and low impact (0-33). Together with our suppliers we always strive for a green low impact process score. This is the biggest challenge for the lighter and heavy worn in look washes. If we only look at our EIM scored denim, 73% have a green impact score, the other 27% have a medium impact.

Our suppliers Soorty and SARP make use of Jeanologia machinery and their EIM score. With our other denim supplier Dinatex, we work on the basis of their wash recipes, without the scores. With the EIM score and wash recipes we get valuable insights in the wash processes of our denim products. On the next page we explain more about EIM scoring.

EIM SCORE

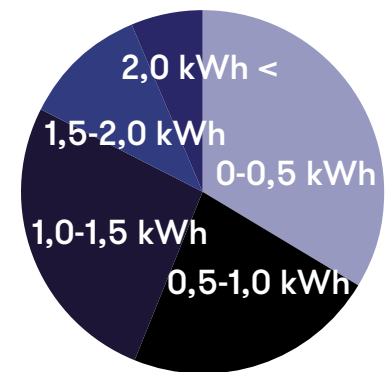
We use the EIM score reports to see what processes are used for our denim washes and work with our suppliers to improve these processes. Based on the report we can decide to substitute and eliminate processes or choose different chemicals. It's an ongoing process to get to lower impact scores. The numbers show us what we can improve.



WATER IMPACT

The laundry process is a water-intensive phase of production, with a water impact expressed in liters per garment. A conventional wash uses around 70 liters per garment. Our 2019 EIM scored denim use from 2 to 56 liters, but over 50% of washes use less than 10 L and on average our 2019 washes use 16 liters per jeans.

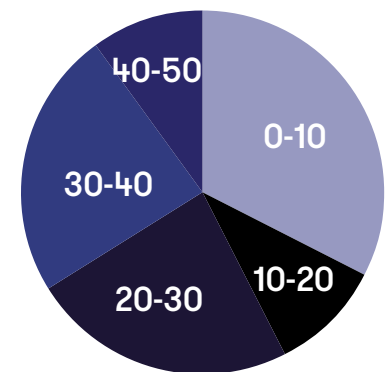
0-35 L 35-80 L 80 L <



ENERGY IMPACT

The machines also need energy to run. The energy use is expressed in kWh per garment. Our jeans use from 0,21 kWh to almost 3 kWh, depending on the kind of machineries and amount of steps needed. But on average 1,01 kWh is used per jeans, compared to 1,5 kWh for conventional. Only 7% of our jeans have a medium energy impact.

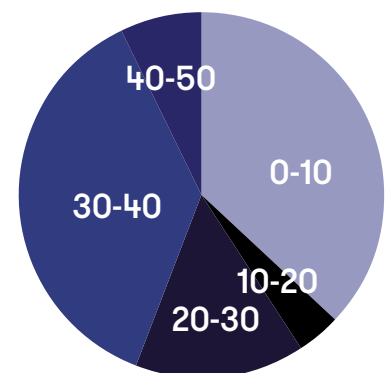
0-2 kWh 2-4 kWh 4 kWh <



CHEMICAL IMPACT

The chemical impact is based on the environmental impact of the chemicals used, categorised in high, medium or low impact. We continuously work on experimenting with new and better chemicals to achieve the same preferred look. Getting to know how new chemicals work takes time. Our average score is 24,5, just within a low impact.

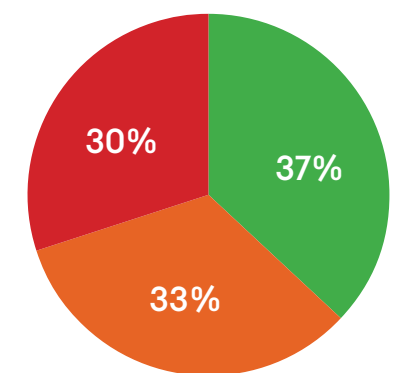
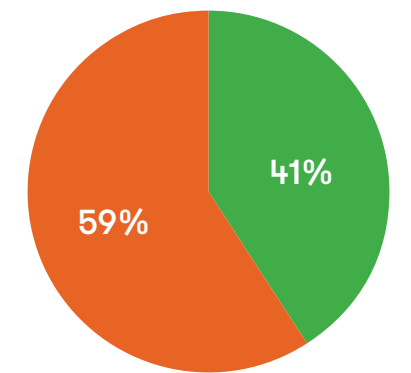
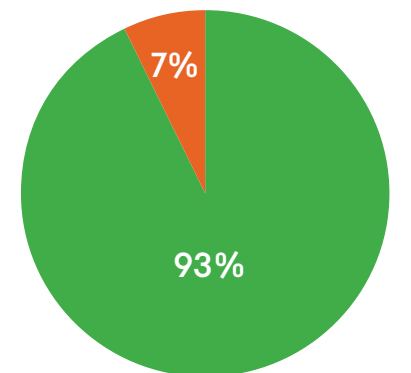
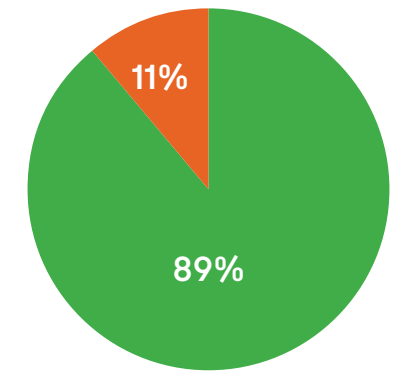
0-25 26-50 51 <



WORKER HEALTH IMPACT

Worker health is also based on the chemicals handled, since it can be hazardous for the worker to work with the chemicals. Worker health is categorised on the number and gravity of illness that can derive from the operations performed. Our average worker health impact is 22. There is still enough room for improvement here.

0-20 21-35 36 <



FINISHING



2025 GOAL
ALL DENIM MADE WITH
LOW IMPACT WASHES



WEAR & CARE



BUY CONSCIOUSLY & TAKE CARE OF YOUR CLOTHES

The fashion industry is a fast paced system. Through new collections, marketing tricks and the bi-annual sale, people are constantly manipulated to buy more than they need. As a brand, we feel responsible for how we approach our dear customers.

Therefore, we choose to inspire people to buy consciously and educate them about how to take care of their clothes. Our main message at all times: buy with a big heart, buy only what you love, buy only what you need and take care of it so well that you can enjoy it as long as possible. It's the only way to go if you want to live truly sustainable, after all.

Conscious aftercare is the way to go to extend the life span of our clothes. Treat your garments as your friends: give them a little respect and take care of them well. By washing right, storing right and when something gets ripped or broken, consider repairing before you throw it away. When you do, give your clothes a good end-of-life by donating them for recycling. Or give them a happy second life by swapping or giving them to someone who could use it. There are so many ways to deal with our clothes. We want to help people to do the right thing.



RULES *TO TAKE CARE* OF YOUR PURE GOODS

1. TURN IT DOWN

Turning down the temperature from 60 to 30 degrees already takes 60% less energy. Your jeans will last longer, too.

2. INSIDE OUT

Cherish the colour of your jeans by washing them inside out. Also, close the zipper and buttons to prevent unnecessary damage on your jeans.

3. KEEP IT TOUGH

Avoid fabric softener. A good denim doesn't need it and it's bad for the environment.

4. HANG YOUR JEANS

Jeans and your tumble dryer are a no go together. Hang them outside and let the wind blow them dry. Take care, the sun will fade your jeans unless you flip them inside out!

5. SKIP IT

Don't wash too often. Keep in mind, real denim lovers never wash their jeans.



SUSTAINABLE DEVELOPMENT GOALS

A person with long dark hair, wearing a light blue button-down shirt and dark pants, stands with their back to the camera on a sandy beach. They are looking out at the ocean where waves are breaking against a rocky shore. The sky is a clear, pale blue. The text 'SUSTAINABLE DEVELOPMENT GOALS' is overlaid in large, bold, orange letters across the center of the image.

SUSTAINABLE DEVELOPMENT GOALS

AND HOW WE WORK WITH THEM



The United Nations Sustainable Development Goals are a collection of global goals to jointly work towards a better world to live in. They are formulated by the United Nations in 2015 and work towards 2030. Countries worldwide and businesses have committed to it in global partnership. The beauty of the goals is that they all go hand in hand. Working on one of the goals has effect on at least a couple others. Each country and company takes their own approach in integrating the goals in the way they work. It gives guidance towards a world we would all like to live in.



We believe all innovation and progression comes from a place of partnerships. In particular the collaborations we have with our partners in the supply chain. We're really happy to be working with so many motivated suppliers who want to improve environmentally and socially. Sometimes even beyond their own company, improving the communities around them or pushing the industry to do better.

Important for us are also the collaborations with NGO's and companies such as the Dutch Agreement on Garments and Textiles, Modint and Fair Wear Foundation. They help us with their in-depth knowledge and research about the industry practices. To top it all of we are involved in some industry-wide partnerships such as the Dutch Agreement for Sustainable Garments & Textiles. In which brands and NGO's work on their due dilligence and exchange knowledge to move forward together. We're always open to collaborate with others to improve the industry, environmental practices and the lives of all those involved.

SUSTAINABLE DEVELOPMENT GOALS AND HOW WE WORK WITH THEM



The goals 1 - No poverty, 3 - Good health & wellbeing, 5 - Gender equality, 8 - Decent work and economic growth & 10 - Reduced inequalities, are in close relation to each other and are all related to the way we try to do business. The issues are all included in or linked to our Responsible Business Conduct and social policy. These documents guide how we do business and what we expect from our partners and suppliers. More information on how we work on these topics can be found in the [social](#) part of this report.



The goals 6 - Clean water and sanitation, 7 - Affordable and clean energy, 12 - Responsible consumption and production, 13 - Climate action, 14 - Life below water and 15 - Life on land are all related to improving environmental practices. With our efforts to reduce our environmental impact in both our design choices and the suppliers we do business with we (in)directly affect all of them. More information on how we work on these topics can be found in the [environmental](#) part of this report.

SOCIAL IMPACT



REAL CHANGE IS CREATED **TOGETHER**

SHOUTOUT TO OUR SUPPLIERS

Kuyichi brings you pure goods, but we would be nowhere without our kick-ass suppliers. We love that we commit to one another, have build a relationship of trust and can create beautiful pure goods together. We believe that to really make a change, you need all the partners throughout the chain. From farmer to consumer and from owner to pattern cutter. The fashion supply chain can be complicated, but we do love that it shows how we can all rely on each other in the same system. Without the knowledge of our suppliers or the feedback from our customers our products wouldn't be as good as they are now. So let's not forget, the power is in the chain.

Now in these crazy Covid-19 times, we see this value as more important than ever. To survive this crisis and come out stronger we need to rely on each other and support one another. On our site, under **Fix the system**, you can find out more about how we try to take our responsibility both ways into our supply chain, to our suppliers and to our retailers.

“WE SEE OUR SUPPLIERS **AS PARTNERS,
WE INNOVATE AND IMPROVE TOGETHER”**

TRANSPARENCY

The first step towards better practices in the garment industry is transparency, since it comes with accountability. We want to inspire other brands to commit to supply chain transparency to move forward together. You can download our up-to-date manufacturers list on our Pure Production page on [kuyichi.com](https://www.kuyichi.com).

TRANSPARENCY PLEDGE

With signing the Transparency Pledge last November we pledged to at least bi-annually publish on our site an updated supplier list, stating full name, address, parent company, type of products and worker numbers. This initiative makes it easier for NGO's to get into contact with the brands producing at a factory if they find abuses in a factory.



OPEN APPAREL REGISTRY

We've also uploaded this list to the [Open Apparel Registry](https://www.openapparelregistry.com), an online database with all publicly available supply chain data. This database uses publicly available supplier lists and brands can upload their own lists. The goal is that the database sparks collaboration between brands and NGO's and between brands that share the same facility to improve the working conditions in these facilities.

PURE PRODUCTION

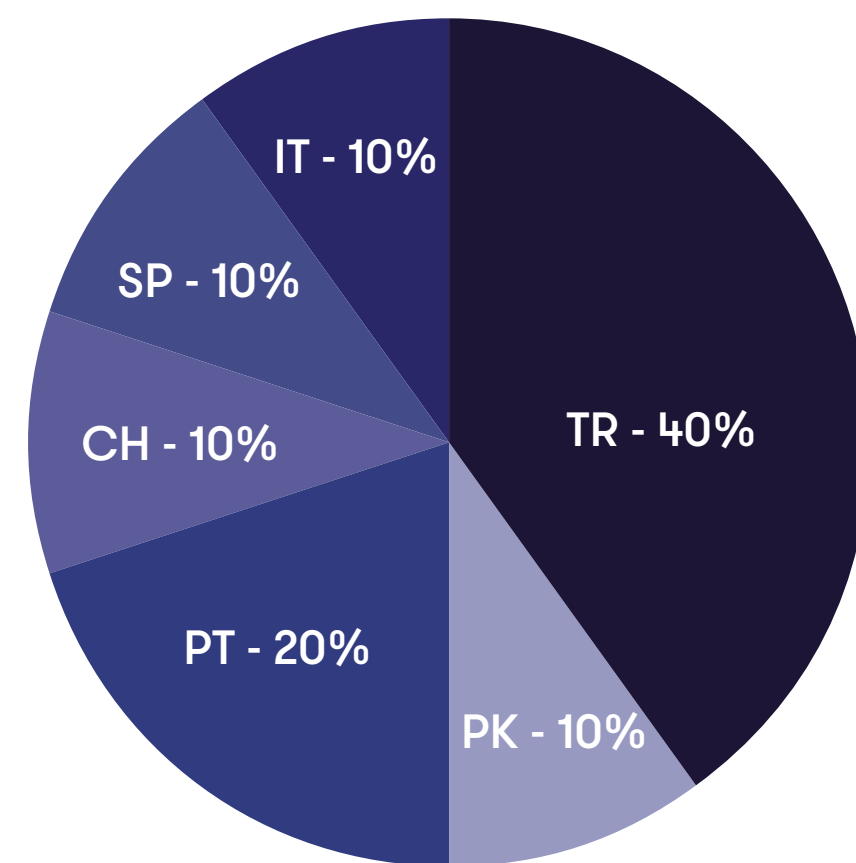
On our website, under [Pure Production](#), you can get to know our suppliers, including their mindset and certificates. On this page you can also download our most recent supplier list.



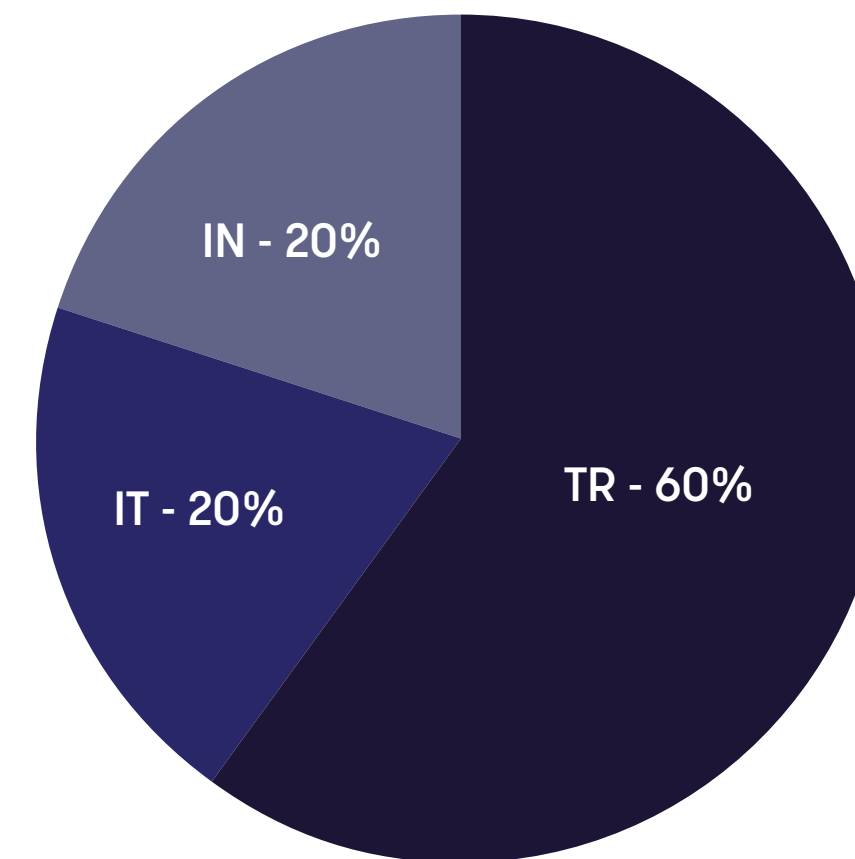
OUR *PRODUCTION* COUNTRIES

The majority of our suppliers is based in Turkey. This way it is easier to visit suppliers in one trip, limiting our travel footprint and making it easier to visit regularly. Below we show for the different steps in our supply chain where our suppliers are situated, based on amount of suppliers. Note that for our raw materials, you can read more about their origin under the Raw Materials section of this report. In 2019 we've visited most of our direct contact suppliers in Turkey and Portugal, CMT locations, fabric mills and trim suppliers.

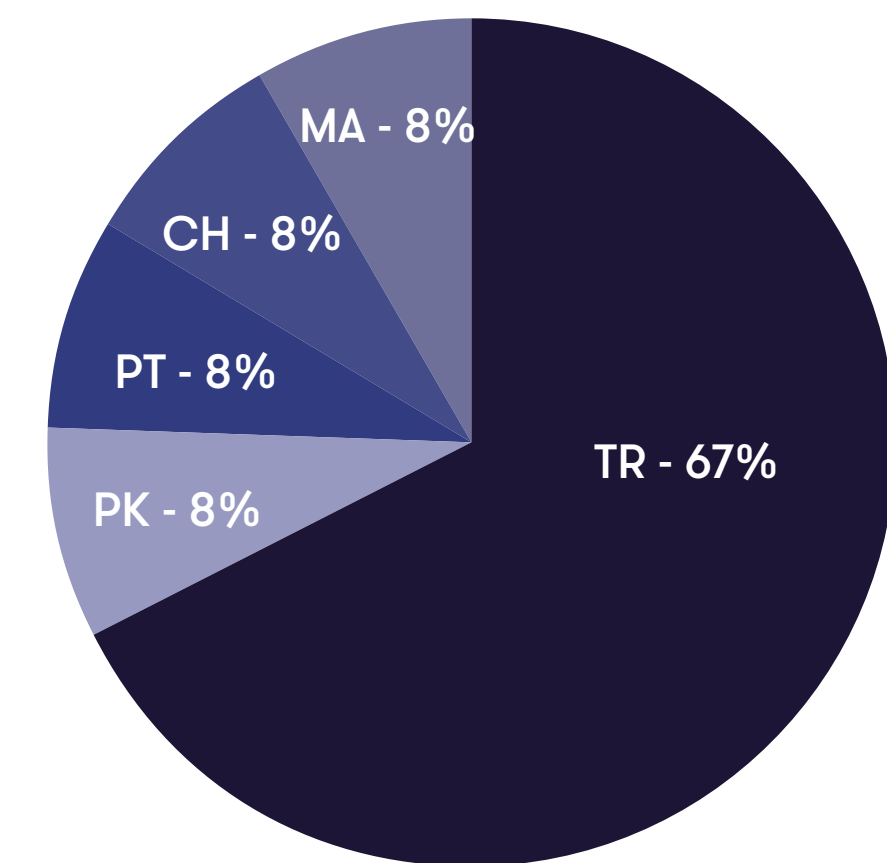
FABRIC SUPPLIERS



TRIM SUPPLIERS



PRODUCTION SUPPLIERS



CH - CHINA
 IN - INDIA
 IT - ITALY
 MA - MOROCCO
 PK - PAKISTAN
 PT - PORTUGAL
 SP - SPAIN
 TR - TURKEY

*Based on amount of suppliers



RESPONSIBLE BUSINESS CONDUCT

Kuyichi tries to take responsibility for what happens down the value chain. By building long-lasting relationships, using facility certification, audit results and a good portion of common sense. We acknowledge that our decision-making as a brand has direct and indirect influence on what happens down the chain and that good working conditions is a shared responsibility.

RESPONSIBLE BUSINESS CONDUCT

The foundation of the partnerships with our suppliers is detailed in our responsible business conduct (RBC). Not only do we specify which topics are important for us and how the standards should be interpreted, we also give more details on how we look at the partnership we start with them.

The RBC is based on different international guidelines and resources, such as International Labour Standards (ILO) standards*, the Universal Declaration of Human Rights*, OECD Due Diligence Guidance for Responsible Business Conduct*, United Nations Guiding Principles on Business and Human Rights*, the Ethical Trading Initiative Base Code* and the Fair Wear Code of Labour Practices*. The document covers the following subjects:

- **NO FORCED LABOUR** All labour is freely chosen, no forced, bonded or prison labour.
- **NO DISCRIMINATION** All employees get equal opportunities regardless of race, gender, cultural group, union membership, etc.
- **NO CHILD LABOUR** No employees below the age of 15 and extra protection for young workers up to the age of 18.
- **FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING** Workers have the right to join trade unions and/or bargain collectively.
- **FAIR WAGES** Wages meet minimum legal or industry standards and cover basic needs, overtime compensated with a premium rate.
- **REASONABLE WORKING HOURS** Max 48 working hours, no more than 12 overtime hours (no regular basis) and one day off a week.
- **SAFE & HEALTHY WORKING CONDITIONS** Good occupational health & safety policies for a safe and healthy working environment.
- **NO HARRASMENT & VIOLENCE** Workers shall be treated with dignity and respect, all forms of harrasment and violence are prohibited.
- **EMPLOYMENT RELATIONS** All workers will be contracted with a legally binding contract in a recognised employment relationship.

From the beginning of 2020 we've also become a Fair Wear Member. Our suppliers need to sign both our own Responsible Business Conduct as well as the Fair Wear Code of Labour Practices.



**WE ONLY WORK WITH
SUPPLIERS WHO
SHARE OUR VISION
AND WANT TO
INNOVATE TOGETHER**

RESPONSIBLE BUYING PRACTICES

As a brand the biggest direct influence you have on your supply chain is your buying behaviour and decisions. A negative impact can be made if you, for instance, ask for an unmanageable time path or make a last-minute big change. Our production manager stays into close contact with our suppliers to make sure the production runs smoothly or to help fix problems if any come up. Especially during these crazy covid-19 times, we value responsible buying practices.

PRICING

We buy our products RMG (Ready Made Garments) at the CMT (Cut-Make-Trim) facility, but are in direct contact with a lot of other suppliers down the chain. We calculate our prices based on open costing. Open costing means that for each product we know the price for the different parts that are needed for the production, like fabrics, sewing threads, buttons, etc. This way we know the costprice of the different parts of a product and can ask for a fair price for the production process of the garment.

FORECASTING

A good production planning is an important part when it comes to good working conditions at a facility, such as a reduced chance of overtime. That is why as a brand you should provide a proper forecast of what and how much you expect to be producing. The process starts with sampling the SalesMan Samples (SMS). The SMS's are used for the pre-ordering season in which our retailers order the styles that they like for the new seson. Based on these pre-orders we can give thruthful forecasts to our suppliers. We check this process weekly and update our suppliers if something changes, until we place the final order.

LEAD TIMES

When we place the final order, we also agree on an ex-factory date, the date we expect the order to be fully produced and ready for shipment. For a good production planning there has to be enough time between the beginning of the process and the ex-factory date. This means that we have to place the order on time, so the factory can plan it accordingly to meet the delivery time we've set. Before production starts we receive a sample, the pre-production sample (PPS), for a final check to see if the product is as it should be. We always determine the ex-factory date in consultation with our suppliers.

SOURCING STRATEGY

As Kuyichi we always partner with suppliers that share our vision and are striving for the same goals. We love it when we see that a supplier is pursuing environmental and social improvement. Of course, this is not only based on the conversation we have with our suppliers, but also validated by certificates, audits or other documents. We choose our partners with care and based on some ground rules. If a new supplier meets these ground rules, we can start a new partnership.

LONG-TERM RELATIONSHIPS WITH SHARED VISION

For us a partnership has to start from the intention to build a long-term relationship founded on trust and respect for one another. We work with mostly close to or in Europe based production partners, to make it easier to visit them. Since we always start with the intention to build a long-term relationship, we choose our suppliers with care and do not switch suppliers recklessly. We start small and increase quantities and orders over time. The intention is always to grow together and work towards improvement.

CRAFTSMANSHIP

All our suppliers have to meet our expectations to craftsmanship. To create the best product, you also have to work with suppliers that can create the best quality. That is why you will let a supplier specialised in denim products, make your jeans and go to another supplier that makes the perfect shirts to produce your oxford shirts. Based on their experience and knowledge we put the orders in at the supplier with the best fit. We strive towards perfection together.

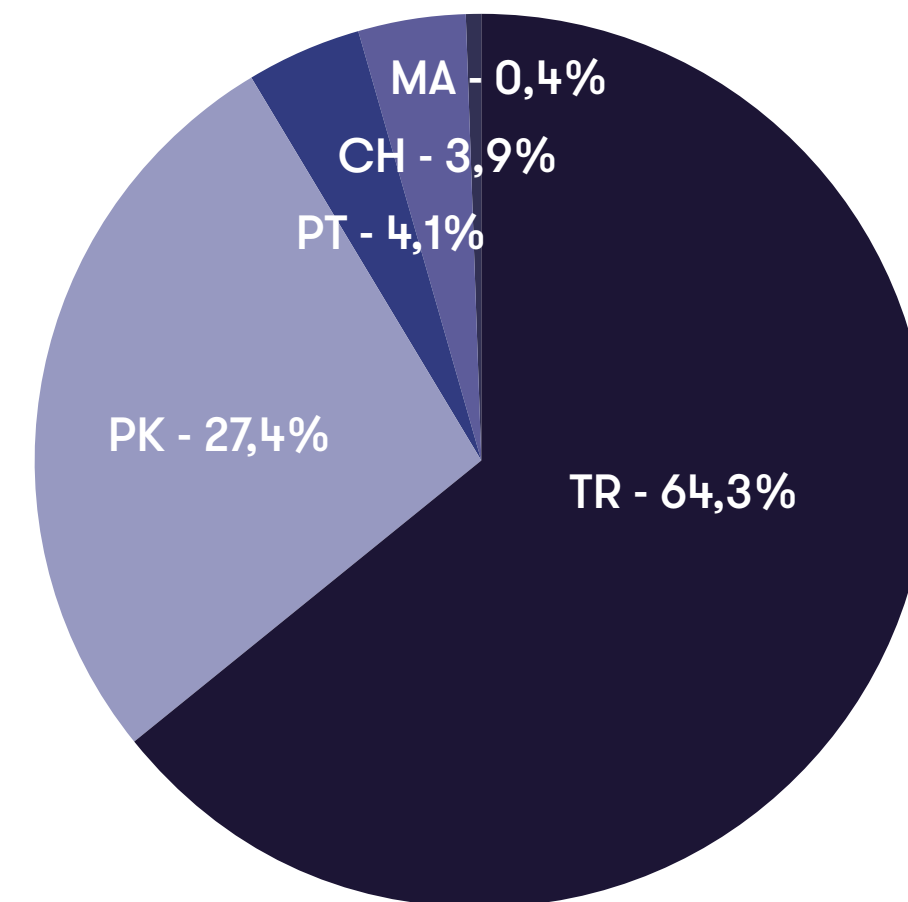
CERTIFICATES AND SOCIAL PERFORMANCE

Before we start a production process in a new facility we want to get insights into how the supplier works and what their vision is. By obtaining information about the facility and receiving certificate documents and audit report(s) we check their environmental and social performance.

Kuyichi works a lot with GOTS certified facilities. Not only because it's the basis for credibility of our organic products, GOTS also has social and chemical requirements and is therefore a good indicator of knowledge in these areas. Almost our full supply chain is GOTS certified, with the exception for the supply chain of our leather belts and most of our trim suppliers, since they're not cotton based. We also want to see good environmental management, like ISO 14001, ZDHC and good wastewater systems. Especially if the supplier is responsible for wet processing steps, such as dyeing and washing. And of course we check the social performance based on available audit data and if possible, personal visits. Any subcontracting must be known and approved by Kuyichi upfront.

SOCIAL PERFORMANCE

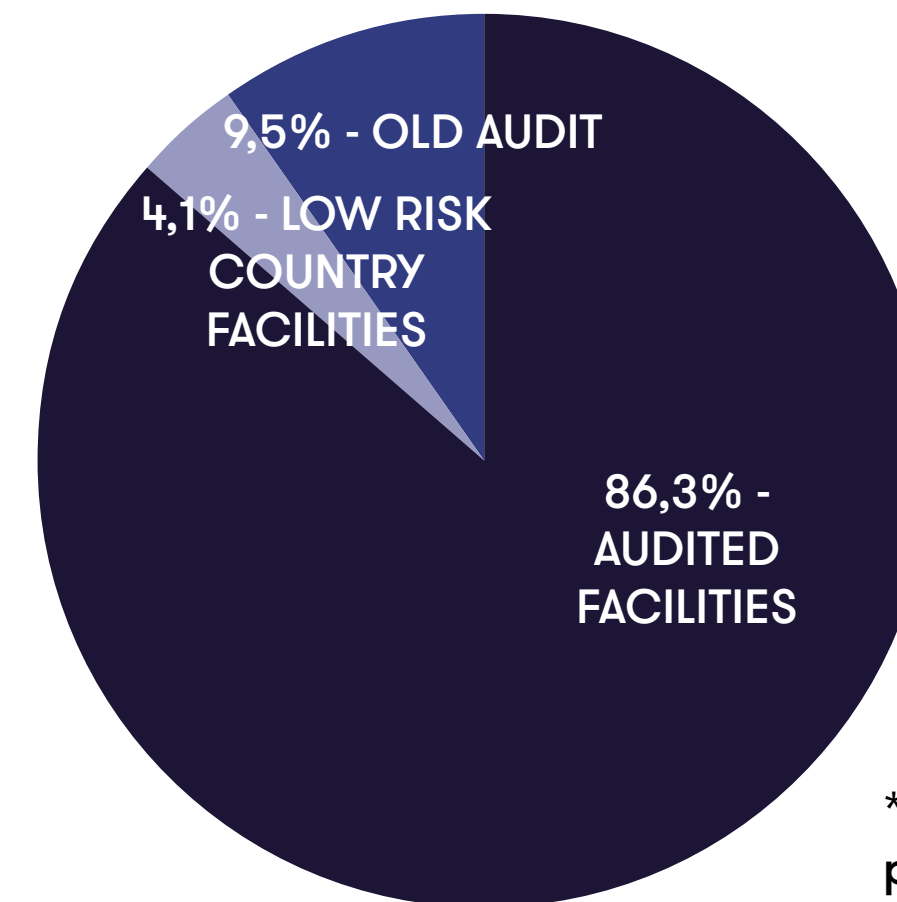
PRODUCTION COUNTRIES



TR - TURKEY
PK - PAKISTAN
PT - PORTUGAL
CH - CHINA
MA - MOROCCO

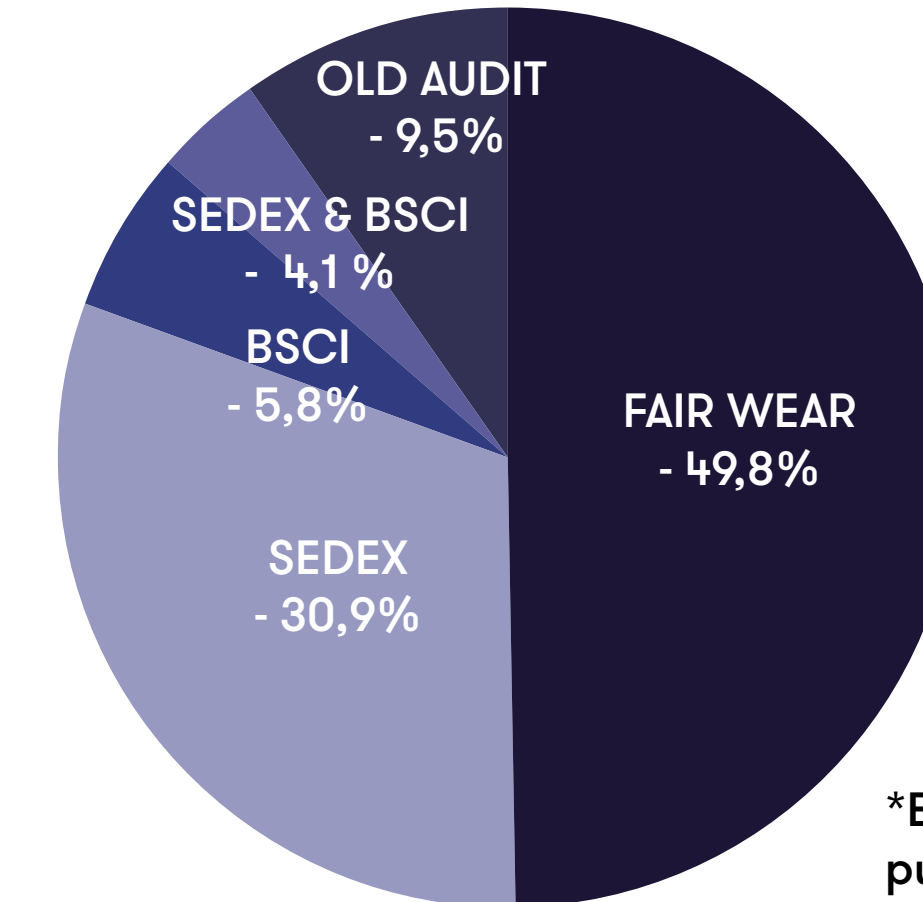
*Based on our purchasing value

AUDITED FACILITIES



*Based on our purchasing value

AUDIT TYPES




*Based on our purchasing value

We value the work quality of the workers in our supply chain, that is why we work so much with credible standards to limit the risks of negative impacts in our production. However the best insights you can get is through an audit.

We share our factories with other brands and each brand has their own social policies. Audits are time consuming for our suppliers, it's a multiple day process. To steer away from audit fatigue we always check for already available audit reports at our facilities. Below you can see the different kinds of audits performed at our direct buying facilities. The percentages are based on our purchasing value.

To learn more about our suppliers and how they work, you can check detailed stories on our [Pure Production](#) page of our website. With Fair Wear we will start to work more closely with our suppliers and deepen our commitment on improving working conditions and formulating constructive long-term goals. Later in this report you can learn more about .

A man with a beard, wearing a black t-shirt and a grey work glove on his left hand, is operating a large industrial sewing machine. He is leaning over a large table covered with white fabric pieces that have been cut into various shapes. The sewing machine is blue and silver. The background shows a factory environment with a yellow wall and some framed pictures.

**MORE THAN
60 MILLION PEOPLE*
ARE EMPLOYED BY THE
FASHION INDUSTRY
WORLDWIDE**

DUTCH AGREEMENT ON GARMENTS AND TEXTILES

The Dutch Agreement on Sustainable Garments & Textiles (AGT) is a coalition of brands, branch organisations & NGO's that aim to improve working conditions, prevent pollution and promote animal welfare in the industry. Their approach is based on the OECD guidelines, based on a continuous circle of improvement with risk analyses. Kuyichi has been part of the agreement since January 2019.

The AGT expects member brands to do their due diligence. Due diligence is the act of preventing and limiting the risk of a negative impact as a result of your practices. AGT brands need to do risk analyses to define the risks that occur or are likely to occur in their supply chain. Based on their severity, brands need to start taking formulating short and long-term SMART actions to limit these risks.

With workshops, webinars the AGT builds knowledge amongst their members. Every year a member brand has to give information. The requirements are a manufacturers list, list of used materials, due diligence questionnaire and an action plan. The goal is that brands work towards better practices, exchange knowledge and work on topics collaboratively.

The AGT has appointed nine themes that brands should work on to improve current practices. Six of them are focused on social impact for the workers throughout the chain:

- 1. Discrimination & Gender**
- 2. Child Labour**
- 3. Forced Labour**
- 4. Freedom of Association**
- 5. Living Wage**
- 6. Safe & Healthy work environments**

The other three focus on environmental and animal impact:

- 7. Resources**
- 8. Water pollution & use of chemicals, water & energy**
- 9. Animal Welfare**

Kuyichi will publish the AGT action plan later this year on the website. In this action plan we will dive deeper into risk analysis of our chain and goals and actions we will work on.

Beginning of this year (2020) we officially became a Fair Wear member. The Fair Wear Foundation is an international independent organisation that fights for better labour conditions in the fashion industry, by working together with its members to improve their supply chains. Fair Wear primarily focuses on the part of the chain where the sewing, cutting and trimming takes place, which are the most human-intensive parts of the supply chain with the most direct influence by the brand.

All Fair Wear members must annually demonstrate that they have taken significant steps towards better working conditions, together with their suppliers. Fair Wear works on the principals of their 'Code of Labour Practice' (their own code of conduct), based on 8 internationally agreed labour standards:

- 1 - Employment is freely chosen
- 2 - There is no discrimination in employment
- 3 - No exploitation of child labour
- 4 - Freedom of association and the right to collective bargaining
- 5 - Payment of living wage
- 6 - Reasonable hours of work
- 7 - Safe and healthy working conditions
- 8 - Legally binding employment relationships

Fair Wear gives us access to a lot of knowledge and best practices about working towards better practices with our suppliers. Fair Wear founds their approach on audit reports. During an audit a facility is checked on the eight labour standards. This results in a Corrective Action Plan (CAP) in which short-term and long-term improvements are stated. Brand and supplier have to work on these improvements together to improve the working conditions.

Our Fair Wear membership also means that all our suppliers and their subcontractors have to sign the Code of Labour Practices and have to display the Fair Wear complaint system in a visible common place at the factory. This way the workers get access to this complaint system and together with Fair Wear we can resolve complaints that come up.

Kuyichi has to reach certain thresholds every year and we are judged on our performance in an annual Brand Performance Check. The report will be available later this year on the website of Fair Wear.

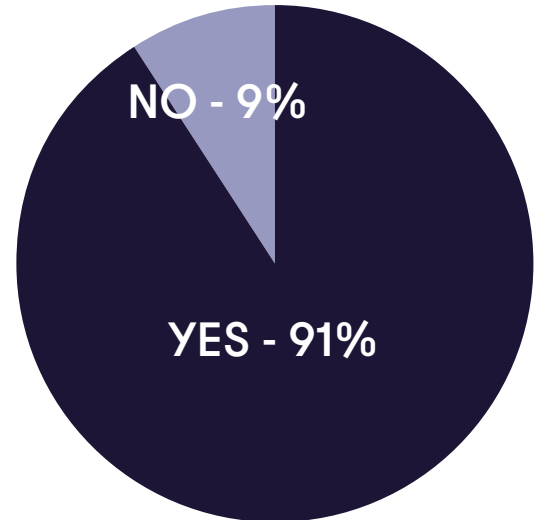
ENVIRONMENTAL

IMPACT



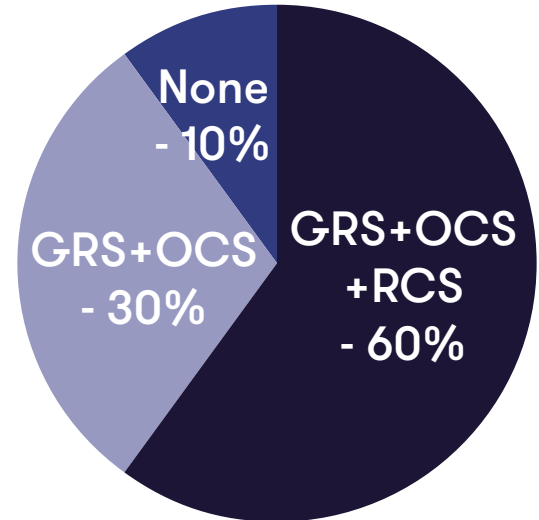
ENVIRONMENTAL FACILITY CERTIFICATES

GOTS CERTIFIED SUPPLIERS (WITHOUT TRIMS)



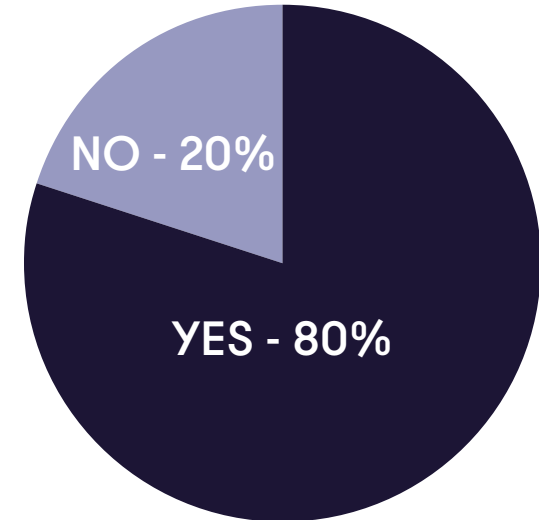
*Based on amount of suppliers

GRS, OCS & RCS CERTIFIED SUPPLIERS



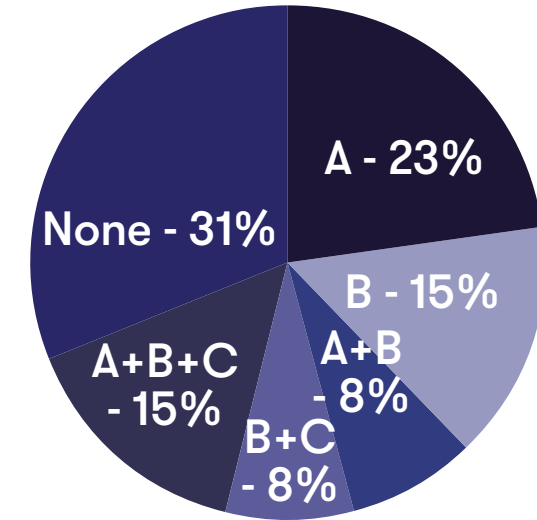
*Based on amount of suppliers

OEKO-TEX 100 CERTIFIED FABRIC & TRIM SUPPLIERS



*Based on amount of suppliers

ZDHC, ISO 14001 & ISO 50001 FABRIC & LAUNDRY SUPPLIERS



A = ZDHC
 B = ISO 14001
 C = ISO 50001
 *Based on amount of suppliers

To manage our environmental impact, we work a lot with different certificates. We've explained more about this throughout this report. The only way a product or part of a product can get a certificate, is to work with suppliers that have obtained these certificates. Therefore, this is an important criteria for us.

Some certificates are especially applicable to a part of the production chain, or we use it mostly at a part of the process of product. For our trims OEKO-TEX 100 is our go-to certificate to check for chemical restrictions and we use GRS (Global Recycling Standard) to validate the recycled content in our fabrics.

On top of that the ISO family are facility certificates, build on credibility of management systems. You have ISO 9001 for a quality management system, ISO 14001 for an environmental management system and ISO 50001 for an energy management system. We also work with suppliers that are ZDHC (Zero Discharge of Hazardous Chemicals) registered. All these certificates form the foundation for our environmental policy and limit the risk on high environmental impacts. They show us that the supplier has enough knowledge to meet the standards of the certificate and therefore can show us good practices.

CHEMICAL IMPACT

Together with our suppliers we work with our KUYICHI (M)RSL, a document in which we set chemical restrictions. Certifications prevail our (M)RSL, since they set stricter chemical restrictions. Certificates with chemical restrictions we often use on our products or fabrics are GOTS, GRS and OEKO-TEX. The KUYICHI (M)RSL is for cases in which a product is not fully certified. The document consisting out of the following two parts:

RESTRICTED SUBSTANCES LIST (RSL)

The RSL is a list of limits of the substances that can stay behind on the garment.

Our list is based on the following standards:

- **REACH** (Registration, Evaluation, Authorisation and Restriction of Chemicals) a regulation of European Union, adopted to improve the protection of human health and the environment from chemical risks.
- **OEKO-TEX 100** a worldwide independent testing and certification system for textile products at all processing levels as well as accessories.

The following chemical groups are, amongst others, covered: Absorbable halogenic compounds, alkylphenols, alkylphenol ethoxylates, azo dyes, biocides, chlorobenzenes, chlorinated paraffins, chlorinated solvents, chlorophenols, disperse dyes, flame retardents, formaldehyde, glyoxal, heavy metals, organotin compounds, perfluorinated chemicals, pesticides, phthalates, polycyclic aromatic hydrocarbons, PVC's and UV stabilizers.

Besides we also work closely with our suppliers on working on the wash recipes of our jeans. With the Environmental Impact Measurement (EIM) score of Jeanologia we get insights in our wash recipes and how to improve them. More about this can be found under the part of this report.

MANUFACTURING RESTRICTED SUBSTANCES LIST (MRSL)

The MRSL is a list of limits for contents in chemicals that can be used in the production process.

This way you tackle the chemical contamination problem at the core. What will not be used in the process, will also not end up in wastewater or end product. It is seen as the next step in chemical management.

We use the **Zero Discharge of Hazardous Chemicals** (ZDHC) Manufacturing Restricted Substances List. ZDHC has set up guidelines and tools to work on chemical management and wastewater treatment and works together with brands to eliminate hazardous substances throughout the industry. One of the tools they have developed is their open source MRSL.

All chemicals we use in the production process need to meet the MRSL standard of ZDHC or the, often higher, chemical restrictions of the certification that the fabric or product has.



20%* OF GLOBAL INDUSTRIAL WATER POLLUTION IS LINKED TO THE DYEING AND TREATMENT OF TEXTILES

WATER IMPACT

Water is one of the most important resources we have. It's a known fact that textile production, and denim production in particular, uses a lot of water. You can see a lot of numbers passing in the media on the water consumption of fashion. The reality is, we do not exactly know and there is no industry standard that we can compare ourselves with. Simply because there are so many variables. We therefore do not compare ourselves with others, but we do focus on improvement of our own water practices.

WATER IMPACT OF MATERIALS

Reducing our water impact, starts at the material choices we make. The amount of water consumption of a product is highly dependent on the materials that you use. Cotton is a really water demanding plant for instance. Although water management is generally better at organic farms, it still consumes a lot. That's why we try to increase our use of recycled materials and look into other low water impact materials. More about this can be found under

WATER IMPACT IN PROCESSING

We're happy that we work with a lot of suppliers that are also acknowledging the big water footprint of our industry and are therefore looking into techniques and solutions to limit the consumption. Lower water consumption in the dyeing of the fabrics for instance, or using other machines to give denim the preferred worn-in look, like laser and ozone.

WATER CONTAMINATION

Not only water consumption is an issue in the fashion industry, water contamination is the other big impact we have. In the processing of textiles a lot of water and chemicals are used. A lot of these chemicals can be harmful to the environment and wildlife if the water is not treated well. That is why we check all our wet processing suppliers on their waste water management. How do they make sure that the water that comes out of the facility is not harmful and complies with legal and industry standards.

It's one of the reasons why we use the ZDHC (M)RSL in our KUYICHI (M)RSL list. We also use a lot of certificates that have strict chemical restrictions, such as GOTS, GRS and OEKO-TEX 100. And we work on improvements of our wash recipes with the EIM score. More about this under **L** and

2020 GOAL CALCULATE OUR WATER FOOTPRINT AND GET INSIGHTS IN HOW TO IMPROVE

WATER FOOTPRINT IMPLEMENTATION

Water footprints (developed by Arjen Hoekstra in 2002) can be calculated for different things, from an individual person to a product's entire value chain or nation. The Water Footprint Implementation is part of the Water Footprint Network and provides powerful insights for businesses to understand their water-related business risk. Most importantly, these insights help drive strategic action toward sustainable, efficient and equitable water use.

Together with Water Footprint Implementation we will calculate the water footprint of our jeans. Not just a general number, but divided into groundwater (blue), rainwater (green) and wastewater (grey). This gives us insights in the biggest water risks in our current denim supply chain and they will come with Kuyichi specific and industry recommendations in limiting these water risks. Later in 2020 we will release a water report with the findings and recommendations of this research.

Learn more on waterfootprint.org

GREENHOUSE GAS EMISSIONS

One of the most well-known impacts on the environment is the emissions of greenhouse gasses, such as CO₂. These gasses are the ones creating the rise in our temperatures worldwide. Therefore, it is important to reduce these gasses collectively. We try to limit these in different ways.

OWN OPERATIONS

All our own operations are powered by renewable energy. In our office all the lights are LED lights to reduce the energy consumption. The office is fully powered by Dutch green energy through Vandebron. At Vandebron you actually know which windmill or solar park is powering your place. Our energy is totally powered by wind energy from one of the four (!) wind mills of Jacques and Anny Vrolijk in Lelystad (NL). On [the website](#) of Vandebron you can find out more about them.

Our gas for heating is also compensated by Vandebron through the initiative Justdiggitt. Justdiggitt uses digging techniques to capture rainwater and in that way manage to regreen areas in Afrika. The greener and more fertile an area is, the more CO₂ the plants and trees can absorb. This also gives great benefits to local communities.

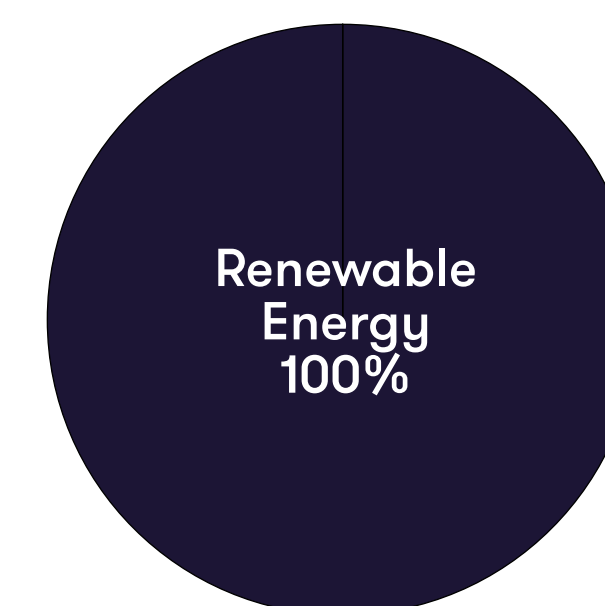
Our warehouse also fully runs on green energy supplied by one of the local renewable energy sources of Engie.

RENEWABLE ENERGY IN THE SUPPLY CHAIN

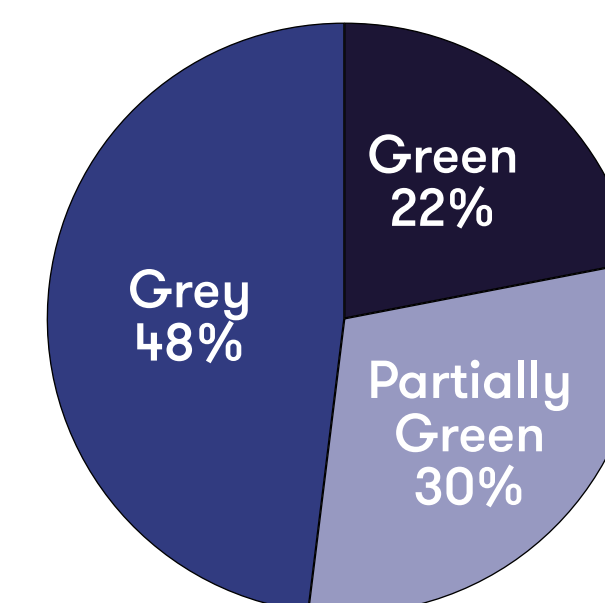
Our suppliers are all very conscious about their energy consumption, both from an environmental and economic motivation. 52% of our suppliers use renewable energy, such as solar or wind energy. For the full facility or for a part of the energy consumption. A lot of this 52% have invested in solar panels on the roof of their own facilities. Using renewable energy makes non-renewable resources such as coal and oil obsolete for the production of energy and therefore brings CO₂ emissions down.

Most of them have targets to decrease the amount of energy used and/or the amount of CO₂ emission. Some even up to 40% targets. The target can even be on a product level, use 10% less energy per garment/m² of fabric for instance. This can be realised by efficiency measures in the production processes or sometimes by investing in green energy solutions.

OWN OPERATIONS ENERGY CONSUMPTION



SUPPLY CHAIN ENERGY CONSUMPTION



TRANSPORT

Transport is only a part of the problem when it comes to greenhouse gas emissions, but it is a part that you have a direct effect on. We already brought down our transport kilometres by local sourcing. The spinning and weaving mills of our fabrics are almost always in the same country as our production facilities, limiting transportation distances between the different links in the supply chain. Also we have centralised most of our trim suppliers in Turkey, since the majority of our production is based here.

We still do need to transport the final products to our warehouse in the Netherlands. For this we use boat, truck and air transport. This depends on where the products are coming from. We only opt for air transport if there is difficulty in delivery times. Choosing air transport limits the transport time and therefore releases pressure on the supplier and the workers, avoiding unnecessary overtime. We're constantly working on limiting our air transport where possible.

PACKAGING

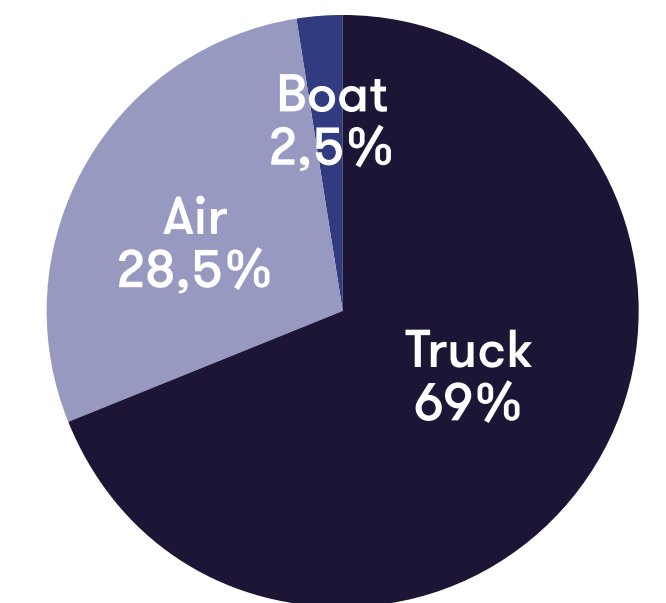
The packaging that is used for webshop orders is made of 60% recycled - film - plastic produced by Raja Pack. We include a card with information about eco friendly wash & care to encourage to take care of your clothes and make them last. We've also restricted the use of polybags on our samples. They are now sent without polybag, with a (cutting waste) fabric string around it, like a present. In 2020 we'll revise our packaging to see if we can limit the environmental impact.

Our webshop orders are shipped from our warehouse in the Netherlands - Montapacking Roosendaal BV. At this warehouse the packaging of our suppliers is recycled and re-used to send goods to our retailers. They are ISO 14001 certified and are part of the 'Blauwzaam energieconvenant II', since they reduced their carbon footprint by 12,6% between 2011 and 2014. They also reduced their residual waste stream by almost 30% through film separation.

CO2 COMPENSATION

With the help of the Climate Neutral Group we estimate our transport and office emissions. Climate Neutral Group provides carbon management and offsetting services with the goal to get to a net-zero carbon economy. Their reports give us insights in our carbon footprint of transport and own operations. Together with them we compensate our carbon footprint with a Gold Standard project in Turkey. Gold Standard means that every credit you buy reduces 1 ton of CO2 in the atmosphere. Climate Neutral Group also excludes wind, sun and biomass projects since they can be profitable without the additional investments of CO2 compensation and focus on projects which need the extra funding.

TRANSPORT OF PRODUCT SHIPMENTS



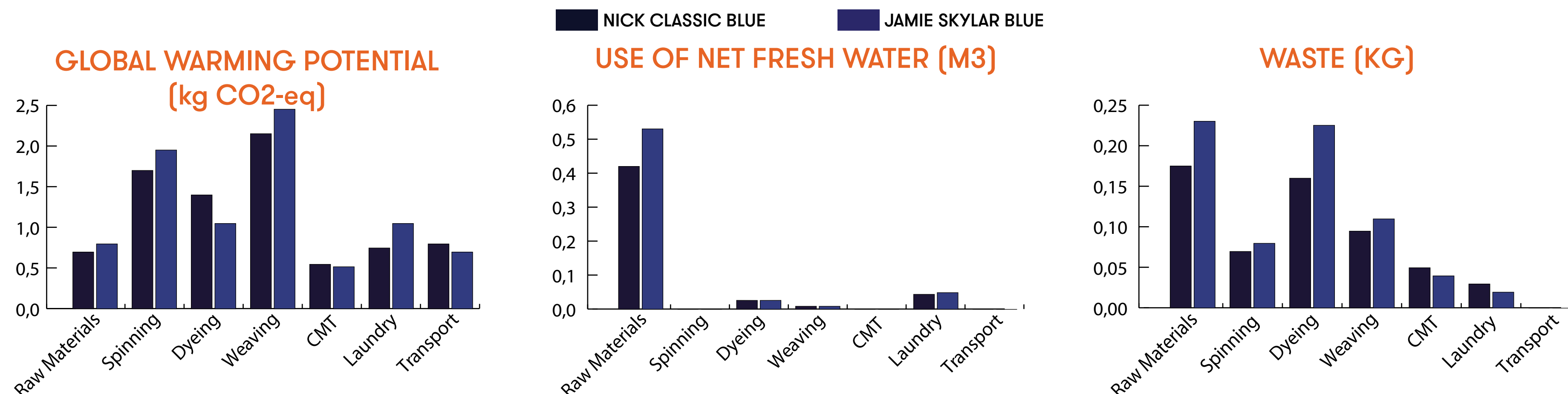
LIFE CYCLE ASSESSMENT

A COMPARISON OF TWO JEANS

In 2019 we performed a Life Cycle Assessment (LCA) to get better insights into the impact of our products. Julie van Luit, former intern, performed this LCA for us for her thesis. The results gave us new areas to focus on within our environmental policy. The report focusses on the impact made during the production of two Kuyichi jeans. The production impact is measured cradle-to-gate, from raw materials to finished product, in which all inputs and resources used are calculated. We do not compare our results with other performed LCA's, since there is not a defined industry standard.

The data analysis has been created conform the ISO standard 14040 life cycle assessment and is performed using Ecochain software. The data needed for the assesment were collected from literature, life cycle assessment databases and communication with Kuyichi's manufacturing companies. The LCA gave us the impac in various indicators, of which carbon- and water footprint were the focus points.

The life cycle assesment of the two denim styles shows the difference in impact made during the production. The carbon footprint is measured at 8,192 kg CO₂-eq for Nick Classic Blue and 8.629 kg CO₂-eq for Jamie Skylar Blue. The water footprint is 0,493 m³ for Nick Classic Blue and 0,609 m³ for Jamie Skylar Blue. The data also shows us in which parts of the production chain the biggest impact is made and where there is room for improvement. For instance, based on these results we're now diving deeper into our dyeing processes.



LET'S GO
BEYOND THE HYPE
AND **TRULY** MAKE
A DIFFERENCE



ACT

LETTER OF THE CR MANAGER

This report was written from the core of Kuyichi. Kuyichi has had a sustainable mindset from the beginning, back in 2000. With every choice we make and everything we do, we consciously keep improving. When you know better, you have to do better. I am proud to build forward on the foundation that Kuyichi people before me have created and I strongly believe that sustainable will become the new normal if we keep building. It's just a matter of time.

Through this report we're aiming to show you how we try to make a positive difference on every level, from how we work with our suppliers on improvements to making conscious choices in our production processes. I personally hope it gives you clarity in the journey your clothes made before they ended in your wardrobe. Not only by showing what we do, but also by breaking down the complexity of sustainability into understandable parts.

The beautiful thing about sustainability for me is that all these different parts are always connected. Working on one subject, almost always, has a positive effect on something else as well. For instance, if you work on your buying behaviour, there's a positive impact on several things, like reduction of overtime. And if you work on chemical issues, the positive side effect is cleaner wastewater and healthier working conditions. All things are linked together and even one single act can create a big impact. It's all dependent of the choices we make.

All the extra effort that we put into our daily work comes from a shared drive to do better. Translating the complexity of sustainability into better ways of working takes a lot, every single day. But it gives us, our makers, the industry and consumers so much in return. I started working for Kuyichi to contribute to a better fashion industry and am proud of where we stand today. We increase knowledge with different NGO's, we connect with other brands in multi-stakeholder initiatives and we have strong relationships with our partners in the supply chain. We'll always keep improving the industry, it's what we're here for. Building a better system, one garment at a time.

Zoé Daemen

KUYICHI

WANT TO LEARN MORE?

You can always contact our CR manager on cr@kuyichi.com