

# Responsible Business Conduct Agreement 2023

29 March 2023

## Introduction

King Louie designs women's wear with an original vintage-inspired product design in the most sustainable way. Ambitious to be a leading and inspiring brand. Leading in its design, leading in its services, and leading in its purpose: good for its people, good for its customers, good for society and good for the planet.

Years ago, we started our sustainable journey with the question: "Is the world better off because King Louie is in the clothing business?"

Global fashion industry is highly polluting, with many bad working conditions, fast fashion driving overconsumption and cheap prices in a throw-away business model. Today there is a rising sustainable awareness and changing attitude among consumers. Yet, they will continue their need for clothing, and more than just functionality to express their personality and individuality. It also makes them happy.

From 2019-2022 our sustainable story had a focus on raw materials and workers. A transition from conventional to organic. Improving worker conditions at factories by partnering with Fair Wear Foundation. Listing all production partners on our website. 77% of our Summer 2023 collection is made from more sustainable materials and as a brand we are rated 'good' by FWF. A sustainable base or foundation has been accomplished, as you might expect from a brand like King Louie.

Now we feel it is time to start doing 'more good'. King Louie is ambitious to become a purpose driven company, with a growing positive contribution to people and the planet. On the people's part we will zoom into making life better for our workers, for example through our Living Wage projects.

Moreover, King Louie has early 2023 launched its first circular garments, which yarns are made from post-consumer textile waste. We continue our path in reducing our (carbon) impact and footprint, and

by 2022 we have launched a tech-driven transparency tool called Retraced. King Louie ReLove is our sustainable activation tool, creating awareness and continuously launching new green events.

Covid-19 has changed the way we all do business, as it has created much more awareness of our failing system. Both for people and for the planet. Inequality and climate change needs to be addressed. We must come out better. King Louie will continue to take its responsibility.

*Jeroen Dijkema*

CEO

## Pillars

### (1) Sustainable materials

In 2018 only 30% of all King Louie garments were made of more eco-friendly materials, like GOTS, BCI, Tencel and Ecovero. In 2022 we have reached 77% and our ambition is 85-90% in 2025.

In 2021 King Louie signed the Amsterdam Green Deal Circular Textile agreement, a fashion alliance to create fully circular clothing. We have a seat in the Circular Fashion Innovation Lab (CFIL). First circular garments, made with yarns from post-consumer waste, have been launched early 2023. With this garment we are closing the loop; a worn and old cardigan is now an ingredient for a new item. Ambition is a 5% share of post-consumer recycled (PCT's) yarns in 2025.

King Louie has always designed for longevity. Our timeless designs have nothing to do with fast fashion and our high-quality products are ingredients for a long active lifetime.

We have an active policy of eliminating hazardous chemicals from our supply chain. REACH and POP is European legislation that describes the limits to which companies must adhere, regarding the use of chemical substances. The result is an RSL (Restricted Substances List), which we make mandatory for all our manufacturers. In many cases, our RSL goes further than the legal requirements. The independent and globally operating Bureau VERITAS randomly checks whether our suppliers comply with the RSL requirements.

In addition, we work with many companies that meet the OEKO-TEX criteria, a testing and certification system for textiles. The standard focuses on limiting the use of harmful substances in relation to the health of the end user.

## **(2) Worker conditions**

King Louie stands for good & fair working conditions throughout its production and supply chain process. We have been part of Fair Wear Foundation since 2015, which inspects our manufacturers extensively every year. It helps us work on good and fair working conditions at factories. King Louie is rated 'good' by FWF. 90% of our manufacturers are continuously audited.

In 2022 we have launched our 1<sup>st</sup> Living Wage projects in Turkey. A living wage is defined as a wage to afford a decent standard of living. With elements like food, water, housing, education, health care, transportation, clothing and some savings for unexpected events. It is different from the minimum wage, often leading the so-called wage gap.

Living wage is a challenging subject for the industry. Not that nobody does not want to pay more and secure a living wage. Yet, there are many hurdles, like political systems, cultural differences, corrupt business owners, unprotected and unorganized workers (often not allowed), etc. We will start in Turkey. Here we are working long-time with our suppliers and have quite some leverages within their companies. With these learnings we will start in China from 2024.

We consciously choose to limit the number of production countries; Turkey (52%) and China (48%) and we believe in long-term partnerships. We visit our manufacturers every season and we have been working with one of our largest suppliers for over 20 years now.

## **(3) Transparency**

In 2022 King Louie launched a transparency tool called Retraced, which is a platform that supports digitizing and tracing our supply chain, making it fully transparent to consumers. All our suppliers can easily be found here. And not only the cut & sew ateliers, yet also the spinners, weavers, dye houses, etc. Providing insight into the chain is not only proof for the consumer, but also helps us to identify and reduce risks within the chain. This allows us to make choices about sustainability faster and easier.

From Winter 2023 all King Louie hang tags will show a QR-code, which will by clicking link

immediately to Retraced providing all supply chain insights. Fully transparent.

#### **(4) ReLove**

In 2021 King Louie launched ReLove. Our consumer activation tool focusing on sustainability. With ReLove King Louie wants to generate awareness and provide insights to extend lifespan and recycle clothing.

ReLove focuses on 6 topics: Re-use (swap bags), Reduce (cooperation Rent stores), Restyle, Respect (wear & care), Repair (repair days), Recycle (circular garments). We encourage consumers to take a closer look at their wardrobe, help them make new combinations with clothes they have stopped wearing, give them tips on how to take good care of their garments and how to make their own capsule collection. We inspire them to shop vintage, recycle clothes and teach them everything about borrowing clothes.