

**KUYICHI**  
PURE DENIM

# 2025 HUMAN RIGHTS PROGRESS REPORT

KUYICHI

SOCIAL REPORT  
1 JAN 2025 - 31 DEC 2025



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# INTRODUCTION

Kuyichi is a Dutch denim brand founded in 2001 with a mission to unfashion the fashion industry. We make timeless wardrobe essentials and denim staples with high standards of social and environmental responsibility.

We maintain full oversight of our supply chain, with most production in Türkiye, where we've built relationships from cotton farm to final garment. Our partners are listed transparently on our website and through the Open Supply Hub.

As the first brand to bring organic cotton denim to market in 2004, we continue driving systemic change. We're GOTS-, GRS- and Regenagri-certified, and hold Fair Wear Foundation Leader status. Together with Fair Wear and RVO, we're researching and testing approaches to improve living wages and gender equality in Türkiye's garment sector.

# INTRODUCTION

# SUMMARY OF THE YEAR 2025

**Kuyichi was started with a belief that fashion could be made differently. That the people who make our clothes deserve fair pay and safe conditions, and that a brand's responsibility doesn't end at the factory gate. Almost twenty-five years later, that belief is still the reason we publish this report every year.**

In 2024, we were recognised by the Fair Wear Foundation as a Leader brand, the highest tier of its membership. Which means we scored well on progress in various aspects of our human rights due diligence efforts. The full report can be found on our website. We're proud of that, but we are also clear about what it means: the bar is higher, and the work continues.

One of the most important things we did in 2025 was listen to workers directly, act on what they told us, and then built that into our HRDD approach. The Violence and Harassment Prevention training at our suppliers, SARP and Merger, resulted in a real human impact: the men and women who participated in the training saw their own rights and responsibilities around this topic in a new light. It also resulted in improved prevention and mitigation structures: a formal worker-management committee was established at SARP, a written policy was created, and V&H awareness is now built into the onboarding process for every new employee. That is concrete. It is also the beginning of something, rather than the end, as we want to organise this training with more of our suppliers.



On living wages, we calculated our proportional share of the wage gap at two suppliers: real numbers that make the size of the challenge and our own limited leverage visible for the first time.

Our supplier base in 2025 remained concentrated in Türkiye, where we have our longest and deepest factory relationships. Diversifying our sourcing is a long-term ambition, and this year we continued developing new partnerships (in Tunisia and Portugal) through an active sampling process. That work does not show up in production volumes yet. It is the stage before production, where we assess whether a new partner is the right fit for both sides, for the long term. We don't rush this.

The issues we have prioritised: living wages and gender equality in the supply chain, are not problems any one brand can solve alone. They require sustained effort, honest data, and collaboration across the industry. This report shows what Kuyichi did in 2025 toward both. And also what we did not yet achieve. We report on progress, and we report on gaps.

**“ONE OF THE MOST IMPORTANT THINGS WE DID IN 2025 WAS LISTEN TO WORKERS DIRECTLY, ACT ON WHAT THEY TOLD US, AND THEN BUILT THAT INTO OUR HRDD APPROACH.”**

**PETER SCHUITEMA, CEO**

# ABOUT KUYICHI



## BUILT FOR CHANGE

Kuyichi exists because a group of people went to see where cotton comes from, and didn't like what they found. In 1998, the team at Solidaridad (a Dutch NGO and one of our founding partners) visited cotton fields in Peru and saw firsthand what the conventional cotton industry was doing: to the soil, to the water, to the farmers. They came back with a mission and worked with farmers to adopt organic principles and secure a fairer price for the cotton they grow. But there was a challenge: someone needed to build a market for organic, fairly priced cotton. When they discovered that the established fashion industry wasn't willing to pay more for a better kind of cotton, Kuyichi was founded to create demand for it. We became the first organic denim brand. Not the first to use organic cotton as a one-off capsule collection, or as a product line. But the first to build an entire denim brand on it.

That mindset to do what the industry said couldn't be done is still what drives us. Years later, when recycled materials were entering the market, we did it again: Kuyichi was the first brand to launch denim made from 100% post-consumer recycled cotton: fibres recovered from discarded garments, turned back into a pair of jeans you can wear for years. Quality is known to decline as the percentage of recycled input increases. We worked with a supplier who found a way to get to 100% while maintaining high quality. These weren't marketing decisions. They came from the same logic: if the industry says it can't be done, that doesn't mean it's true. You can always find a way, even if it takes time to get there.

The same logic applies to how we sell. For nine years, Kuyichi has operated without seasonal sales. A well-made pair of jeans does not lose its

value because the season changes, and we refuse to pretend it does. On Black Friday - one of the highest-pressure days in the retail calendar - we don't discount. Instead, we donate a share of that day's profit to a charity. We publish our full supplier list, including addresses, worker numbers, and production volumes, because we believe that transparency is not an optional extra in sustainability work. It is the foundation of it.

In 2016, Kuyichi relaunched with a leaner model and a clearer focus. Since then, we have built a supply chain of long-term partners: fewer suppliers, deeper relationships, and accountability that runs in both directions. We joined Fair Wear Foundation in February 2020. In 2024, we became an FWF Leader brand with a benchmarking score of 74. The full BPC report is available at [www.fairwear.org](http://www.fairwear.org)

## SYSTEMIC CHANGE IN HRDD

Our most significant recent work has been on the systemic risks that conventional supply chain monitoring consistently misses: living wages and gender-based violence and harassment. For five years, Kuyichi participated in a programme funded by the Dutch government (RVO), together with Fair Wear Foundation and a group of other brands, specifically designed to investigate and address these issues in the Turkish garment sector. Not through audits, but through direct research with workers. 306 workers and three of our Turkish suppliers participated. What they shared changed how we view the topics, and how we work. The learnings from this programme on what actually drives gender inequality in garment factories, what makes grievance mechanisms work or fail, and how small brands can approach living wages, are not kept to ourselves. We share them. Because the system we are trying to change is bigger than any one brand, and changing it requires others to change too.



Let's get Spanish



Thomas + Kiet



"Ik voel mij zo verdomd alleen!!"



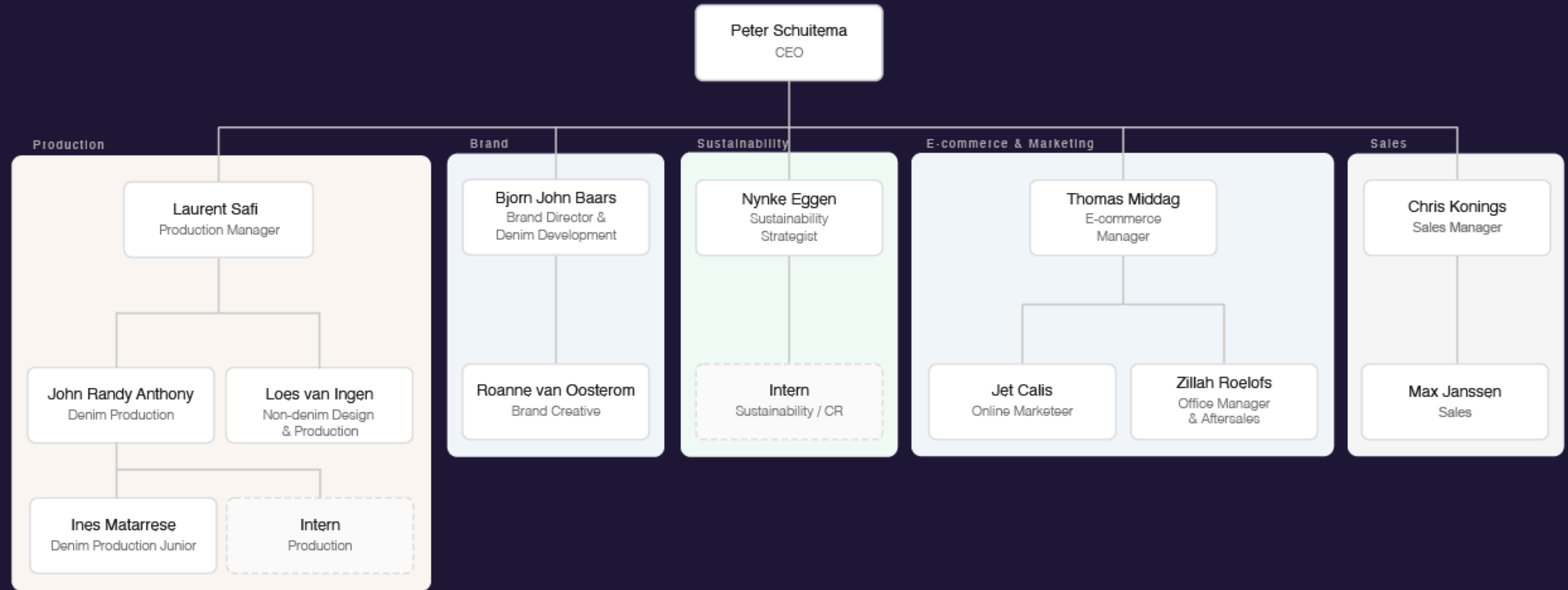
# THE TEAM

6-11-25



Rosa + Nathan

# THE TEAM



## OUR TEAM & CULTURE

Kuyichi B.V. is a privately owned brand, incorporated as a besloten vennootschap (B.V.) under Dutch law, with our office in Vleuten, Utrecht. We have no subsidiaries, joint ventures, or affiliated entities. We do not own or operate production facilities. This report covers Kuyichi B.V. as a single legal entity.

We are a small team of 14 permanent employees working across production, design, sales, marketing, and sustainability, plus short-term interns who typically stay with us for up to six months. Everyone is based in the Netherlands.

The team is informal ('gezellig') and non-hierarchical: sustainability and human rights are not the responsibility of one person or one department. They are part of how everyone in the company thinks and works, from production planning to sales conversations to the decisions we make about which suppliers we work with.

## GOVERNANCE

Kuyichi operates with a flat management structure. Human rights and environmental due diligence is overseen directly by the management team, which meets regularly to track progress across all parts of the business. The Sustainability Strategist leads on HREDD policy and implementation day to day, but the accountability for living up to it sits with the whole company.

A note on continuity: Zoé Daemen led Kuyichi's sustainability and HREDD work for nine years, building the foundation this report describes. She left at the end of October 2025.

Nynke Eggen took over as Sustainability Strategist from that point, having worked alongside Zoé during the transition. Nine years of Zoé's sustained effort in this work have got us to the point we are now.

This report covers the period 1-1-2025 to 31-12-2025 and is published annually. Our financial reporting period aligns with the calendar year. No restatements of previously reported information have been made. This report has not been externally assured. Questions can be directed to Nynke Eggen, Sustainability Strategist, at [cr@kuyichi.com](mailto:cr@kuyichi.com).



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# OUR APPROACH

# FAIR WEAR FOUNDATION



Fair Wear Foundation (FWF) is a non-profit organisation that works with garment brands, factories, trade unions, NGOs and governments to improve working conditions for garment workers across production countries in Asia, Europe and Africa. It was founded in 1999 and has over 25 years of experience in the garment sector.

Kuyichi has been a Fair Wear Foundation member since February 2020. In 2024, we achieved FWF Leader status (the highest tier of FWF membership) with a Brand Performance Check score of 74 (146/198 points). Importantly, FWF membership is not a certification, and it is not a guarantee of a perfect supply chain. It shows that a brand has a strong interest in improving working conditions and is actively making an effort. Member brands and factories share responsibility for worker welfare. Periodically, FWF conducts a Brand Performance Check: an evaluation of how well a brand has integrated human rights due diligence into its day-to-day business decisions, from pricing and planning to how it responds when problems are found. Results are made public.

FWF focuses on the most labour-intensive part of the supply chain: the factories that cut, sew and finish garments: the stage at which clothing brands have the most influence over how workers are treated. Its work is built around eight internationally recognised labour standards, from the right to freely chosen employment and safe working conditions to fair wages and freedom of association.



Fair Wear works on the principals of their 'Code of Labour Practice', based on 8 internationally agreed labour standards. These textile workers' rights are pushed to be achieved at suppliers by all Fair Wear members. Collaboration between brands is encouraged in their method.

For workers in member brands' supply chains, FWF operates a free, anonymous complaints hotline in local languages. When a complaint comes in, FWF immediately informs the brand involved and launches an investigation. FWF also has local teams and auditors based in production countries, providing on-the-ground knowledge that most brands cannot access on their own.

Brands rarely have direct control over their production sites, but they bear the responsibility to facilitate good working conditions. Leverage (the ability to affect change) can also be achieved through collaboration with other brands. FWF actively facilitates this: when multiple brands source from the same factory, working together multiplies the impact any single brand could have alone.

Through FWF membership, Kuyichi accesses country-level labour rights data, audit methodology, the FWF complaints mechanism for workers, and collaborative connections with other member brands at shared suppliers. The Brand Performance Check is published on our website every year.



# DUE DILIGENCE

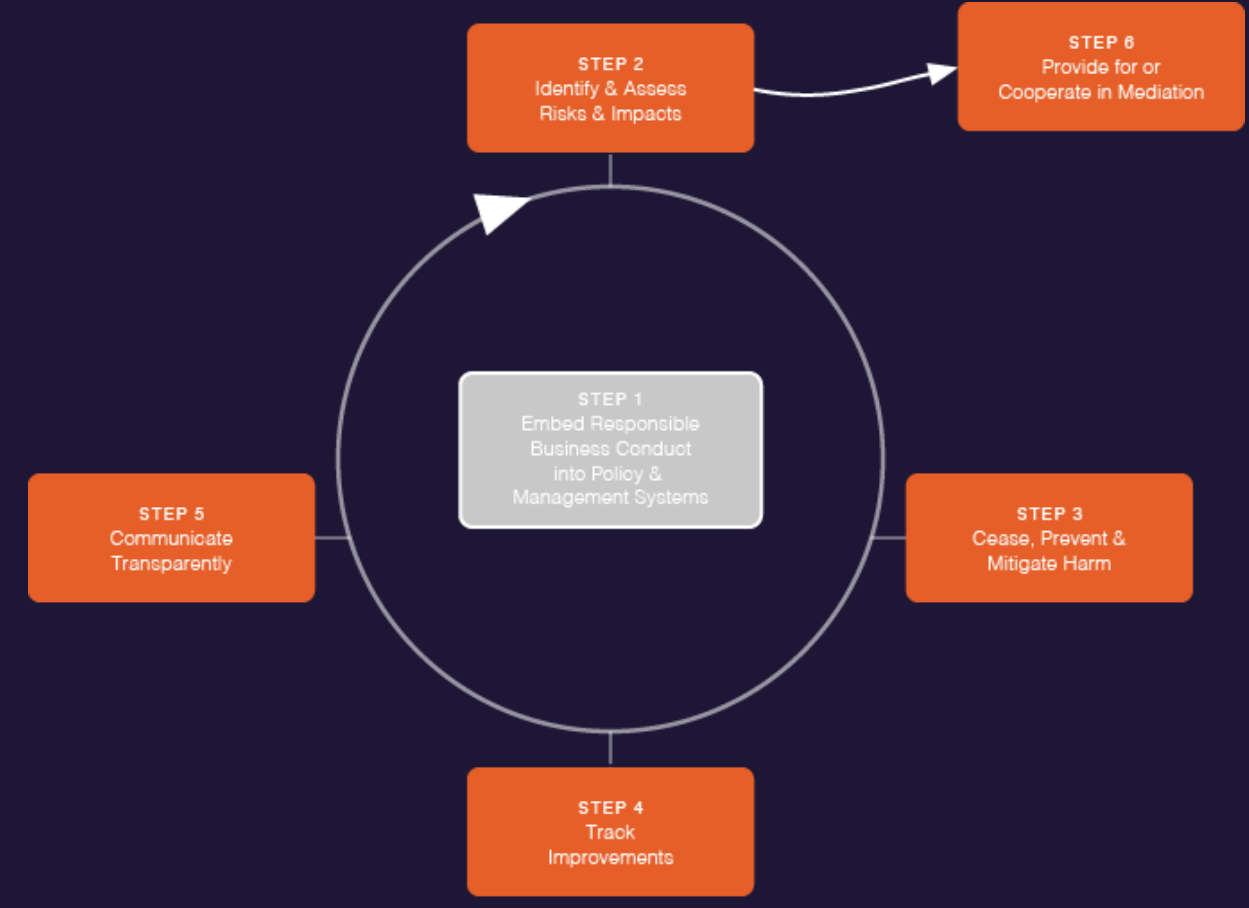
## DUE DILIGENCE EXPLAINED

Due diligence means knowing what is happening in your supply chain - the good and the bad - and taking responsibility for your part in it. For Kuyichi, this is not a legal requirement but a core brand value.

Our due diligence follows the six-step OECD framework:

1. Set up responsible business policy and processes
2. Identify actual and potential harm
3. Cease, prevent and mitigate harm
4. Track implementation of improvements
5. Communicate transparently
6. Remediate actual harm

This report is structured around these six steps.



## THE IMPORTANCE OF DUE DILIGENCE

We believe that brands have a responsibility for improving working conditions beyond their own employees. Brands are part of the supply chain and have a direct or indirect impact on what happens deeper down the chain by their actions and choices. Uncovering and remediating negative impacts can be expensive and time-consuming. As a brand, we should support factory improvement through collaboration and shared responsibility, rather than pointing fingers at factories and demanding change. We advocate for an industry where equal partnerships, shared responsibility and fairness will be the norm. This is needed to tackle systemic issues and human rights violations.

# OUR HUMAN RIGHTS & ENVIRONMENTAL DUE DILIGENCE APPROACH

## HUMAN RIGHTS & ENVIRONMENTAL DUE DILIGENCE COMMITMENT (HREDD)

Kuyichi commits to upholding human rights, protecting the environment and maintaining transparency. We select our suppliers with care, monitor working conditions and work to reduce our environmental impact. We actively monitor and address risks, and remediate harm when found. Our Human Rights and Environmental Due Diligence (HREDD) policy is essential in pushing our company actions. We believe in the continuous improvement of working conditions in our supply chain and the continuous progress of our own purchasing practices.

We focus our efforts on all Tier 1 suppliers and subcontractors, based on a risks-based approach, and we strive to extend our efforts as deep in the supply chain as possible. If risks or complaints arise, in Tier 1 or beyond, we will remediate proportionally. Good due diligence should focus on the long term instead of short-term solutions. Where factories, including their employees, are heard and involved in improvements. We aim for systemic change, where factory working conditions and environmental impact improve structurally.

## DUE DILIGENCE PROCESS

Our due diligence process is captured in multiple responsible business policies such as our Code of Conduct, Human Rights and Environmental Due Diligence policy and Responsible Exit Strategy. Beyond human rights, we commit to high environmental standards and good governance. These policies show our approach to minimising risks in our supply chain, outlining how we assess these risks, the actions we take to reduce them, and how we improve working conditions. In the rest of this report, we will take you through all the steps of our due diligence process that align with the OECD Due Diligence framework.

## STAKEHOLDER ENGAGEMENT

We actively engage with NGOs, our suppliers and other industry partners to refine our policies and respond to emerging risks. Through our FWF membership, we access multi-stakeholder risk assessments, country-level data, and connections to trade unions, civil society, and worker representatives in our sourcing countries. Kuyichi participated in a joint research project on gender equality and living wages in the Turkish garment sector, run by Fair Wear Foundation and RVO ("For Fair Fashion"). Three of our Turkish suppliers participated, and their workers were interviewed. The findings were integrated into our risk assessments and directly informed our Gender Equality Strategy. We also engage directly with suppliers through annual visits, worker questionnaires, and regular production contact.

# RESPONSIBLE PURCHASING PRACTICES

How a brand buys has influences working conditions. Prices that don't cover real costs, last-minute order changes, and unrealistic lead times all pass pressure down the supply chain, and the workers need to absorb it. Responsible purchasing means taking ownership of this dynamic and building it into how we operate as a business, not just what we write in our policies.

Kuyichi uses the Common Framework for Responsible Purchasing Practices as a reference for assessing our own buying behaviour. The Framework covers five principles:

## 1. Integration and reporting

Kuyichi's purchasing practice commitments are embedded in our Code of Conduct, signed by all suppliers. Our obligations on pricing, planning, and order changes are contractual, not aspirational. We report publicly on our social and environmental performance every year, and purchasing practices are part of that accountability. Sustainability and HREDD responsibilities are shared across the team, not siloed in one role.

## 2. Equal partnership

We build long-term relationships with a deliberately small group of suppliers. With the exception of denim, we work with one supplier per product category, which removes price competition between suppliers and gives each partner a more stable order base.

## 3. Collaborative planning

We share seasonal forecasts with suppliers before orders are confirmed, giving them time to plan capacity, source materials, and manage their teams. Forecasts are updated regularly throughout the sales season. Lead times - between one and four months depending on product type and availability - are agreed collaboratively based on the supplier's actual capacity. Core fabrics are kept on stock to reduce lead-time pressure and avoid last-minute material shortages.

## 4. Fair payment terms

Payment terms are agreed at purchase order placement. Our 2025 Code of Conduct includes a Breaches clause: Kuyichi cannot impose financial penalties or deductions on a supplier unless agreed in writing and linked to demonstrated losses. This protects suppliers from the kind of arbitrary commercial pressure that gets passed through to workers.

## 5. Sustainable costing

Prices are built from the actual cost components of each product: materials, processing, certifications, and labour. Wage costs are explicitly non-negotiable in our Code of Conduct - they cannot be used as a lever in price negotiations. We are working toward open costing with key suppliers, which gives us direct visibility into the labour component of each price.





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# STEP 1 - POLICIES

# OUR POLICIES

**Kuyichi's due diligence starts with a clear policy framework that sets expectations for our suppliers and for ourselves. These documents are not aspirational statements. They define how we work, what we require of production partners, and what partners can require of us in return.**

The foundation is our **Code of Conduct**, updated in 2024 to include a gender lens throughout, and again in 2025 to include financial protections for suppliers. This is a legally binding two-way agreement, signed by Kuyichi and our production partners. It covers all eight Fair Wear labour standards - from forced labour and child labour to wages, working hours, and health and safety - as well as our own commitments on purchasing practices, pricing, and production planning. Making the Code of Conduct a genuine two-way document was the main outcome of our 2024 Responsible Contracting Project, developed with the support of Modint's Innovatiemakelaar subsidy. All suppliers and approved subcontractors sign the Code of Conduct before any production begins.

Our **Human Rights and Environmental Due Diligence (HREDD) Policy** outlines the overall framework: how we identify risks, the steps we take, our responsibilities as a brand, and how HREDD connects to our daily operations. It is aligned with the OECD Due Diligence Guidance, the UN Guiding Principles on Business and Human Rights, and ILO conventions. It is published on our website.

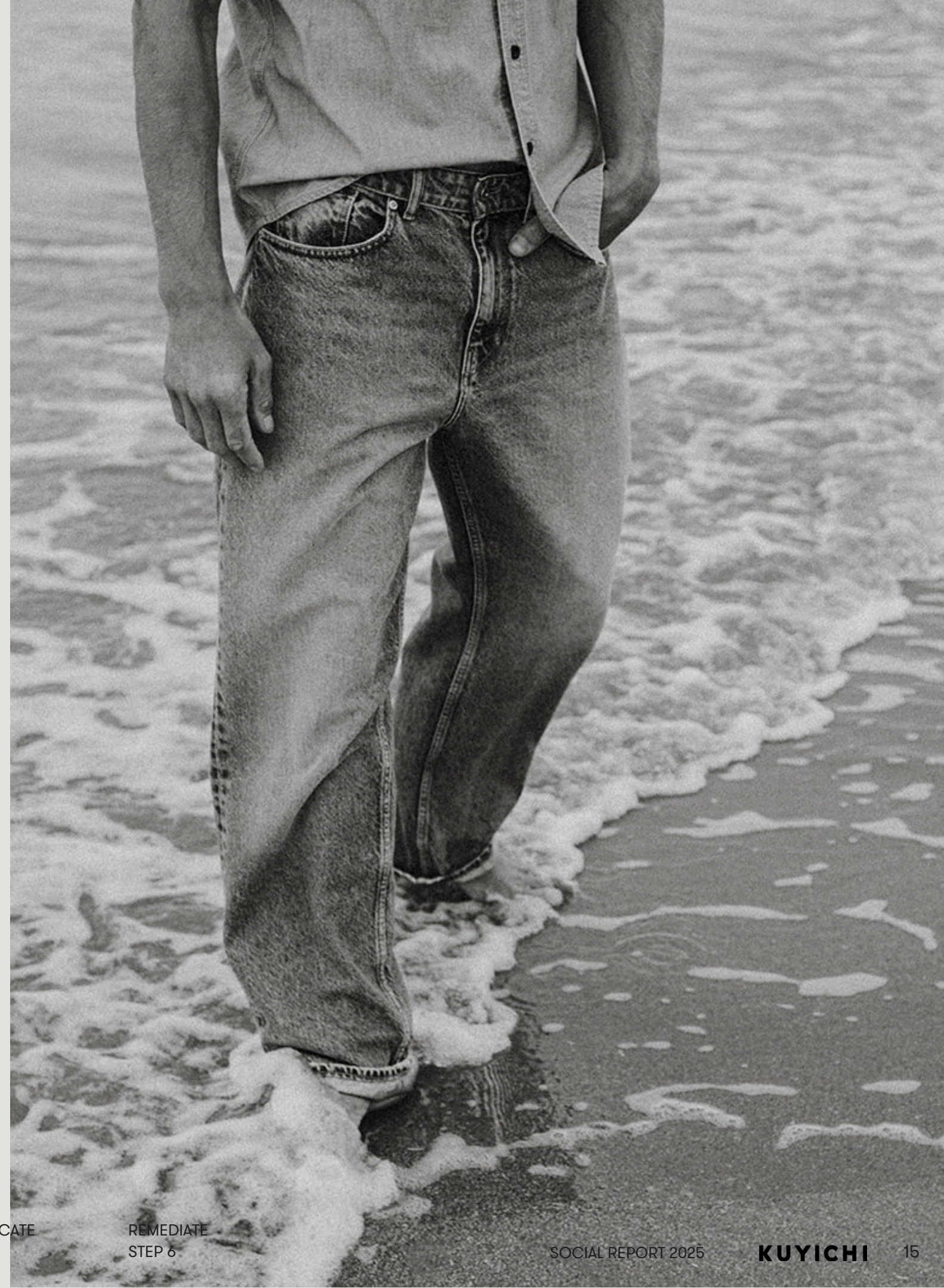
Our **Responsible Sourcing Strategy** describes how we approach new partnerships: the due diligence steps we take before placing a first order, what we require of prospective suppliers, and how we factor social and environmental performance into sourcing decisions. Our **Responsible Exit Strategy** outlines the steps we take when a partnership ends, including a social impact assessment and a phase-out plan to protect workers from disruption. If we stop working with a supplier and the decision is ours, we follow these steps.

Our **Gender Equality Policy** integrates gender into our due diligence approach at every level, from internal assessments and gender-disaggregated data collection to supplier policy support and gender training. It was developed using findings from the FWF/RVO research programme and is the operational backbone of our work on violence, harassment, and gender wage gaps in the supply chain.

On the environmental side, our **Fibres and Materials Policy** sets out which fibres we use, which we avoid, and which are banned, with a clear preference hierarchy and a mandatory 'no-conventional cotton' policy. Our **Chemical and Quality Policy** governs the use of hazardous substances throughout the production process, aligned with GOTS, ZDHC, REACH, and OEKO-TEX Standard 100. Both policies are shared with and signed by all relevant suppliers.

All policies are accessible to every team member on the internal drive, reviewed annually, and approved by the CEO before any update takes effect. Sustainability and HREDD updates are shared with the full team in regular meetings and at least twice-yearly in dedicated internal sessions. Staff can also participate in external training through Modint, Fair Wear, and Textile Exchange. In 2025, Kuyichi took the first steps to formally embed responsible business practices into internal accountability. KPIs linked to social sustainability outcomes were developed for the Sustainability Strategist role. A company-wide sustainability strategy is in development for 2026/2027, which will include measurable targets and KPIs per staff member across the team.

In 2019, Kuyichi signed the **Transparency Pledge**, committing to publishing a full supplier list on our website and on the Open Supply Hub, including addresses, product categories, and worker numbers. This list is kept up to date and can be found at [kuyichi.com](https://www.kuyichi.com).



# POLICIES THAT MEAN SOMETHING

## THE EVOLUTION OF OUR POLICIES

### THE GARMENT INDUSTRY CONTEXT

The global garment industry employs somewhere between 60 and 94 million people. Nearly 60% of those workers are women, rising to 80% in some producing regions. The vast majority are among the lowest-paid workers in their countries.

This is not a new observation. The fashion industry has known about this imbalance for decades. The dominant response has been the social audit: send an independent inspector to the factory, check the fire exits and the payslips, tick s the boxes, publish the certificate. But auditing Systems are inadequate to

detect even something as straightforward as missing safety measures, let alone complex issues like union-busting, bullying, or gender-based violence and harassment. The Rana Plaza factory collapse in Bangladesh in 2013 - which killed 1,134 workers in a building whose structural cracks had been reported and ignored - was audited. The audit had not flagged the structural risk. It was a reminder, at enormous human cost, that compliance paperwork and actual worker safety are not the same thing.



### “AUDITS ALONE WILL NOT UNCOVER THE REAL ISSUES IN FASHION SUPPLY CHAINS”

Audits have also been nearly silent on what turns out to be one of the most pervasive risks in garment production: gender-based violence and harassment. This is not because it doesn't happen. It is because it is almost impossible to detect through a factory walkthrough and document review. A woman working in a factory where a supervisor has power over her contract,

her schedule, and her income does not disclose harassment to an inspector who will leave at the end of the day and file a report she will never see. The mechanism that is supposed to catch the harm is structurally incapable of doing so.

This is the context in which Kuyichi has been rethinking what its own policies are actually for.

# POLICIES THAT MEAN SOMETHING

## THE EVOLUTION OF OUR POLICIES

External sources: ILO InfoStories, Gender equality in garment supply chains (2023); Business & Human Rights Resource Centre, Press release (December 2024); KnowTheChain, Apparel & Footwear Benchmark (2024); Clean Clothes Campaign, FAO (2024). ILO Convention 190 on Violence and Harassment, adopted 2019. Research data from FWF/RVO "For Fair Fashion" project.

### THE PROBLEM WITH POLICIES

In 2022, our supplier agreement was titled "Responsible Business Conduct". It listed what we expected of our suppliers: the minimum standards they needed to meet. Kuyichi's own obligations were at the back, framed as intentions. It was, essentially, a one-way document: here is what you need to do to work with us. The relationship described was that of a monitor and the monitored.

Looking back, that framing was part of the problem. A brand that presents itself as the responsible party setting standards for others has made a category error about where risk comes from. Research from the Business & Human Rights Resource Centre, which tracked 28 cases of alleged human rights abuses linked to brand purchasing practices in just the six months between March and September 2024, makes the point clearly: brands are not neutral monitors of a system they observe from the outside. They are actors inside the system. How a brand sets its prices, writes its cancellation terms, times its orders, and handles its forecasting directly affects what happens to workers in the factories that produce for them.

A 2024 benchmarking study by KnowTheChain found that "purchasing practices" was the second-lowest-scoring theme across 65 major apparel brands, with an average score of 12 out of 100, and that more than half of companies did not disclose even basic information about their responsible purchasing policies. The tools that are supposed to hold brands accountable don't yet extend far enough into the places where brands actually make decisions.

### EMBEDDING MUTUAL RESPONSIBILITY

We rewrote the document from scratch in 2024. The new Code of Conduct restructured the entire agreement as a two-way contract, placing Kuyichi's obligations immediately alongside the supplier's. Not at the back, not as aspirations. Kuyichi's commitments on pricing, forecasting, order changes, and planning timelines became enforceable clauses. The document now explicitly states that wage costs are non-negotiable in price discussions, and that Kuyichi will not make major changes to an order after production has begun.

In 2025, a Breaches clause was added: Kuyichi cannot impose financial penalties or deductions on a supplier unless agreed in writing and linked to demonstrated losses. That clause exists because the industry norm - brands deducting costs from supplier payments for delays or quality issues, without negotiation - passes financial pressure directly down the chain, and suppliers absorb it by squeezing labour costs. Naming this as unacceptable in a signed contract is a small but concrete step away from a practice that has been treated as normal.

### ADDING A GENDER LENS

The gender-related changes to the Code of Conduct came from a different source of knowledge entirely: the workers themselves.

Kuyichi participated in a research project on gender equality and living wages in the Turkish garment sector, funded by the Dutch government (RVO) and

facilitated by Fair Wear Foundation. Three of Kuyichi's Turkish suppliers participated. Researchers conducted in-depth interviews with 306 workers. The findings were specific and serious, uncovering issues that audits had not identified before.

What the research confirmed was something that advocates have been saying for years, and that ILO Convention 190 on Violence and Harassment was designed to confront: gender-based harm in the workplace is structural.

(Gender-based) violence and harassment in supply chains remains largely invisible because much of it is not recognised as something that can be reported. Behaviour in workplaces with male-dominated hierarchies is often so normalised (micro-aggressions, inappropriate remarks) that it does not register as a violation. It is just how things are. Where harm becomes impossible to ignore, a different set of barriers takes over: shame, fear of retaliation, the cost of speaking out when your income is already precarious. None of this surfaces in a standard audit. Therefore, your policies need to reflect the realities of workplaces.

### THE LATEST UPDATES

The Code of Conduct update introduced six concrete changes. Suppliers are urged to have a gender equality policy covering recruitment, promotion, and management. Because where all sewers are women and all supervisors are men, the problem is structural,

not individual. Equal pay requirements are now embedded in the wages clause, making them checkable at payroll level. Worker representative elections should result in gender-proportional representation. Management and security staff must receive regular training on recognising signs of gender-based violence and harassment. Grievance mechanisms were significantly strengthened: anti-retaliation protections must be communicated to every employee, and where a complainant is identified, no resolution may be imposed without their agreement. And women cannot be forced to undergo pregnancy testing at hiring, a discriminatory practice common in parts of the sector that had not previously been named in Kuyichi's supplier agreement.

These policy changes do not solve the problems they address. A clause in a contract does not train a supervisor, move a suggestion box, or raise a wage. What it does is create a documented basis for expecting those things to happen, and for following up when they don't. The work of implementing these requirements - at suppliers including SARP, Merger, and across the rest of Kuyichi's supply base - is described in detail in Step 3 of this report.

What the evolution from a 2022 Responsible Business Conduct to a 2025 Code of Conduct represents is a shift in how we understand Kuyichi's role. Not as a brand that monitors a supply chain for problems, but as an actor inside that supply chain that takes their own responsibility for the conditions it finds there, and shares responsibility for changing them.

# FACTORY RELATIONS

**Kuyichi works with a small and deliberately managed group of suppliers. The number of production partners is kept at a level where we can visit regularly, follow up in detail, and build accountability over time, not just audit compliance by requesting third-party reports.**

## LONG-TERM RELATIONSHIPS

In 2025, 60% of our production FOB came from suppliers with whom we have had a relationship of five or more years. The percentage went down from 78% in 2024. This figure reflects the growth of System Denim, a partner since 2023, which accounted for 31% of production FOB in 2025. The long-term relationships at the core of our supplier base remain unchanged. With the exception of denim, we work with a single supplier per product category. This removes price competition between suppliers and gives each partner a more stable order base and a clearer path for collaboration on improvements.

## HOW WE CHOOSE NEW SUPPLIERS

Before working with a new supplier, we conduct an initial risk assessment covering the topics in our Code of Conduct: freedom of association, child labour, discrimination, wages, health and safety, and environmental practices. Prospective suppliers complete a Supplier Information File and share existing audit reports and certifications. Wet processing facilities must have proper wastewater management. We always visit a factory before placing the first production order. Once approved for production, suppliers sign the Code of Conduct, the Fair Wear questionnaire, and all relevant Kuyichi policies, and must display the Fair Wear Worker Information Sheet for their employees. Suppliers are also expected to disclose all subcontractors, fabric sources, and raw material origins, and give our team and auditors full access.

In 2025, Kuyichi was in active sampling development with three new potential partners: Denim Authority in Tunisia, ByTMS in Portugal, and Eyand in Portugal. Sampling is the stage at which we assess whether a supplier is the right long-term fit for quality, for sustainability standards, and for how they operate. None of these suppliers moved into production in 2025. For Denim Authority, a worker survey was conducted during the sampling phase before any production order was placed, and the results informed our assessment of the supplier relationship.

## SUBCONTRACTING

Unauthorised subcontracting is not permitted. Suppliers must disclose any subcontractors, who must be approved by Kuyichi and are subject to the same policy requirements. In 2025, the following subcontractors were registered: Egemen Yikama (laundry, Türkiye), Parboy Tekstil (Türkiye), CNS Tekstil (Türkiye), L'Orient Broderie (Tunisia), FTS Fashion Textile Service (Tunisia), and Akcakaya (Türkiye). Kuyichi monitors supplier capacity during visits and through regular production contact to identify any risk of undisclosed outsourcing.

## PRICING

We buy finished garments (RMG) at CMT price, but maintain direct contact with many suppliers further down the chain: fabric mills, trim suppliers, and in some cases yarn or raw material producers. Prices are built up from the cost components of each product, including materials, processing, and certifications. Wage costs within supplier prices are non-negotiable; we do not pressure suppliers to reduce labour costs. We have taken steps to work toward open costing with some of our production partners, which allows us to understand and verify the labour component of each price.

## RESPONSIBLE EXIT

When Kuyichi ends a partnership, we apply our Responsible Exit Strategy: a social impact assessment, transparent communication with the supplier, and a structured phase-out plan. The strategy applies when a relationship has lasted more than one year, the supplier has been used for at least two orders or seasons, and the exit decision is Kuyichi's.





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# STEP 2 - IDENTIFY

# HOW WE IDENTIFY RISKS & IMPACTS

Kuyichi's risk identification is a continuous process. Risks are assessed at four levels: country, supplier, business and sourcing model, and product. Results shape action plans, inform purchasing decisions, and are reviewed and updated at least once a year.

## COUNTRY RISK SCOPING

combines quantitative data (wage gap percentages, gender indices, global risk indices) and qualitative sources (FWF country studies, Modint Due Diligence tool, MVO Risk Checker, SDG index data). Each risk factor is scored on severity - scope (how many affected), scale (how serious), and irremediable character (how difficult to undo) - and on likelihood. A four-point scale (green to red) is used. Combined scores determine which risks are prioritised.

## SUPPLIER-LEVEL RISK ASSESSMENT

draws on audit reports, CAP status, visit observations, worker survey outcomes, and direct supplier feedback. This tests whether country-level risks are confirmed or absent at a specific factory.

## BUSINESS AND SOURCING MODEL RISK

examines how Kuyichi's own practices (order volumes, lead times, pricing, seasonality) could contribute to adverse conditions. This is assessed through an annual self-assessment based on the Common Framework for Responsible Purchasing Practices.

## PRODUCT-LEVEL RISK

covers process-specific hazards, primarily chemical risk in denim washing and finishing, and homemaker risks throughout our product categories. We added product category specific risk assessments in 2025.

## GENDER LENS

is incorporated across the risk assessment, examining how each risk affects women and men differently. This was informed by the FWF/RVO research project, whose findings we integrated directly into our country and supplier risk profiles.

## ACTIVE PRODUCTION COUNTRIES

In 2025, Pakistan production ceased following the exit of Soorty Enterprises. Türkiye accounts for 99.4% of production FOB and remains the primary focus. Morocco (Sun Belts, 0.4%) and Portugal (Somani, 0.2%) are active production countries, albeit with very low production volumes.



# PRODUCT-LEVEL RISK ASSESSMENT

In 2025, we added a product-level risk assessment to our risk analysis process. This assessment focuses on risks that are specific to **particular production processes or product types**, and which are not fully captured by the general risk analysis. Two categories of risk are relevant here: **chemical health risk** (specific to denim washing and finishing) and **homeworker risk** (varies by product type and process).

Risks are assessed on **likelihood** (how probable is this risk in Kuyichi's supply chain) and **severity** (how serious is the harm if it occurs, considering scope, scale, and reversibility).

For denim washing, Kuyichi uses the EIM (Environmental Impact Measuring) tool to assess worker health impact at wash-recipe level. All denim washes that we have measured have achieved low-impact EIM scores since 2022. This is an existing product-level social risk measurement that is updated annually.

PRODUCT-LEVEL SOCIAL RISK ASSESSMENT · KUYICHI 2025

Product group	Key processes	Est. % production	Chemical health risk	Homeworker risk	Process flag
<b>Denim</b> Jeans, shorts, skirts, jumpsuits	CMT - Washing & finishing Machine embroidery Machine print	80-85%	<b>Medium-High</b> Likelihood: Medium - Severity: High Chemical exposure and dust during washing and finishing, workers must wear PPE	<b>Low</b> Likelihood: Low - Severity: Medium Industrial machines; cannot be performed outside factory	Monitor PPE compliance at laundry and confirmed via (M)RSL compliance. EIM Score.
<b>Tops, t-shirts, shirts, sweaters</b> Non-denim	CMT Machine embroidery Machine print Sometimes garment dye	8-12%	<b>Low-Medium</b> Likelihood: Low - Severity: Low Medium In case of garment dye	<b>Low</b> Likelihood: Low - Severity: Medium	In case of garment dye: PPE and ventilation to be checked during visits and confirmed via (M)RSL compliance.
<b>Knitwear</b> Machine knitting	Machine knitting CMT	3-6%	<b>Low</b> Likelihood: Low - Severity: Low	<b>Low *</b> Likelihood: Low - Severity: Medium * Monitor: linking/seaming can in rare cases involve home-based workers	Monitor finishing / linking steps
<b>Non-denim bottoms &amp; dresses</b> Linen, Tencel, organic cotton	CMT	1-3%	<b>Low</b> Likelihood: Low - Severity: Low	<b>Low</b> Likelihood: Low - Severity: Medium	—

All product groups - end-of-line QC and hangtag / label attachment (manual tasks): Homeworker risk LOW  
Likelihood: Low - Severity: Medium - No homeworkers identified to date at any supplier.

Risk level: ■ Low ■ Low-Medium ■ Medium-High

\* Labour standards assessed at country / supplier level (forced labour, FOA, child labour, discrimination, living wages, working hours)

Note on production volume estimates: Percentages are estimated based on FOB per supplier mapped to primary product type per facility. Actual product-category volumes may differ; ranges are indicative.

# PRIORITISED RISKS

Over the years we have set and achieved various goals: we've improved internal systems and planning to reduce our contribution to excessive overtime. Our Product Sustainability Checklist streamlines social and environmental compliance on a product level and reduced the risk of unauthorised subcontracting. Our risk assessments have identified the areas that now require our attention.

Kuyichi prioritises risks where severity is high, likelihood is confirmed, and our leverage gives us a meaningful ability to act. For 2025, our two prioritised social risks remain **living wages** and **gender-based violence and harassment**. Both risks are concentrated in Türkiye - which represents nearly all of our production - and have been confirmed by independent research, not just inferred from country data.

## LIVING WAGES

All of Kuyichi's suppliers pay at least the legal minimum wage. The problem is that the minimum wage in many production countries (like Türkiye, where 99.4% of our production takes place) does not cover basic living costs. The gap between what workers earn and what they need to live with dignity is the central wage problem in our supply chain. It is severe in scale, broad in scope, and its effects are difficult to reverse in the short term. It also compounds other risks: financial pressure drives excessive overtime, limits workers' ability to exercise rights, and falls disproportionately on women.

The root causes in Türkiye are structural: years of hyperinflation have eroded real purchasing power, while garment sector wages have not kept pace. Türkiye's inflation peaked above 85% in 2022 (meaning the value of money nearly halved compared to the previous year) and, while it has since declined, workers have not recovered the real wage losses of those years. Industry-wide price competition between suppliers suppresses wage increases. Kuyichi's leverage at individual suppliers is limited (our highest is 8.7% at Merger) meaning that we cannot close the gap alone. Our approach therefore combines direct supplier action with collaborative industry initiatives and a transparent living wage roadmap in development for 2026.

## GENDER-BASED VIOLENCE AND HARASSMENT

The risk of violence and harassment in the Turkish garment sector is confirmed by direct evidence. The FWF/RVO research project documented incidents and structural conditions that create risk: male-dominated supervisory hierarchies, low wages increasing economic dependency, lack of effective grievance mechanisms, and a broader cultural context in which harassment is underreported and often normalised. Social audits are not a reliable tool for identifying this risk as it is personal, often invisible to external assessors. Kuyichi's approach goes beyond auditing, using training, policy support, grievance mechanism improvement, and worker engagement as the primary tools.

This risk is prioritised not because we have evidence of incidents at our specific suppliers, but because the structural conditions that enable it are confirmed to be present in our sourcing context. Absence of evidence in an audit is not absence of risk.

We began gender training at our main Turkish suppliers in early 2025. The training sessions were delivered over 2.5 days by local women's rights organisations as part of the RVO 'For Fair Fashion' programme. Both trainings were followed by four structured follow-up sessions throughout the year, embedding the training as an ongoing process rather than a single event. Our Gender Equality Strategy includes a 10-step implementation plan covering internal assessments, gender data collection, supplier policy support, grievance mechanism improvements, and training. We are implementing this in stages, starting with our main Turkish suppliers.



# OTHER RISKS WE MONITOR

Living wages and gender-based violence and harassment are where we've chosen to put extra time, budget, and structural effort in 2025. But due diligence doesn't stop there. The risks below are part of our regular due diligence work: audits, supplier visits, worker surveys, grievance mechanism checks, and policy requirements written into our Code of Conduct. We monitor them consistently, and we act when something comes up.

What's different is that we haven't layered additional programmes, training, or dedicated resources on top of this regular work for these topics. Not because they matter less, but because meaningful due diligence means making choices about where to focus deeper effort. Living wages and gender-based violence and harassment were identified as the areas where Kuyichi's own influence and the scale of the risk made additional investment most worthwhile right now. The risks below remain on our radar, and

## FREEDOM OF ASSOCIATION

We check the effectiveness of our suppliers' worker representative systems and grievance mechanisms, including the Fair Wear complaint hotline. One Tier 1 supplier and our Turkish denim mill are unionised. For the others, freedom of association is structurally constrained in Türkiye, and worker committees and grievance mechanisms serve as the primary channel for social dialogue. This is built into our action plans, particularly our gender strategy.

In 2025, this moved from monitoring to active follow-up: as a direct outcome of V&H training at one supplier, a 9-person worker-management committee (majority women) was formed, meeting monthly. A concrete improvement to worker voice in a context where unions are rare. We will assess grievance mechanisms at other suppliers in 2026 and reevaluate this risk as that work progresses.

## FORCED LABOUR

We have not yet encountered forced labour in our supply chain, but this does not mean it is not present. Forced labour is difficult to uncover. The highest risks sit at the subcontractor level and further down the chain. If we do encounter forced labour, we will remediate as needed. In 2020, we ceased CMT production in China due to the heightened risk of forced labour and the oppression of Uyghur and other minority groups in Xinjiang. Subcontractor monitoring and transparency requirements remain the primary mitigation measure.

## CHILD LABOUR

Child labour is embedded in our Code of Conduct and the Fair Wear Code of Labour Practices. We have not yet encountered child labour in our supply chain. The likelihood is seen as lower, supported by risk assessments and audit data. As with forced labour, the highest risks sit at the subcontractor level and further down the chain, our continued focus on visiting and monitoring subcontractors has not surfaced any issues to date. If child labour is found at a supplier or subcontractor, we will remediate in the best interest of the child, with guidance from Fair Wear.

## OCCUPATIONAL HEALTH AND SAFETY

We manage OHS risk primarily through auditing. Audits are a good tool for monitoring working conditions, especially issues that are visible and verifiable on a factory visit. Audits often surface OHS findings, which result in a higher likelihood score for this risk, but most findings can be resolved within a reasonable timeframe through CAP follow-up. In 2025, 81.25% of our Tier 1 suppliers are audited. We do not see a need for measures beyond auditing and monitoring at this time.

## MIGRANT WORKERS AND UNDOCUMENTED SYRIAN REFUGEES

We are aware of the risks involved with undocumented migrant workers, particularly at the subcontractor level. Türkiye hosts the world's largest refugee population (an estimated four million people, the majority Syrian) and undocumented or inadequately documented workers face elevated risk of rights violations. We address this through our Syrian Refugee Workers Statement, signed by all Turkish suppliers and subcontractors, which sets out equal rights for migrant workers and clarifies work permit requirements. One of our Turkish suppliers has employed migrant workers. They are treated like any other worker at the facility and have all the needed legal paperwork. If we encounter migrant workers at a supplier or subcontractor who are not treated equally, we will remediate as needed.

# FOR FAIR FASHION

WHAT FIVE YEARS OF RESEARCH AND ACTION TAUGHT US

## HOW IT STARTED

In December 2023, Kuyichi joined the project 'For Fair Fashion - improving due diligence, wages, and equity for women in the Turkish garment sector'. Funded by the Dutch government (RVO) and led by Fair Wear Foundation, the project brought together three brands - Kuyichi, Schijvens, and Zeeman - around two problems that are very hard to tackle in fashion supply chains: gender-based violence and harassment, and wages that don't cover the cost of living.

The project had two phases. Project A was research: go into Turkish factories, talk to workers directly, and find out what was actually happening. Project B was about acting on what that research found.

## WHAT THE RESEARCH FOUND

Researchers interviewed 306 workers across 18 Turkish garment factories, including several of Kuyichi's suppliers. The interviews were conducted individually, by independent researchers, with genuine privacy. Conditions that an audit, by its nature, cannot replicate.

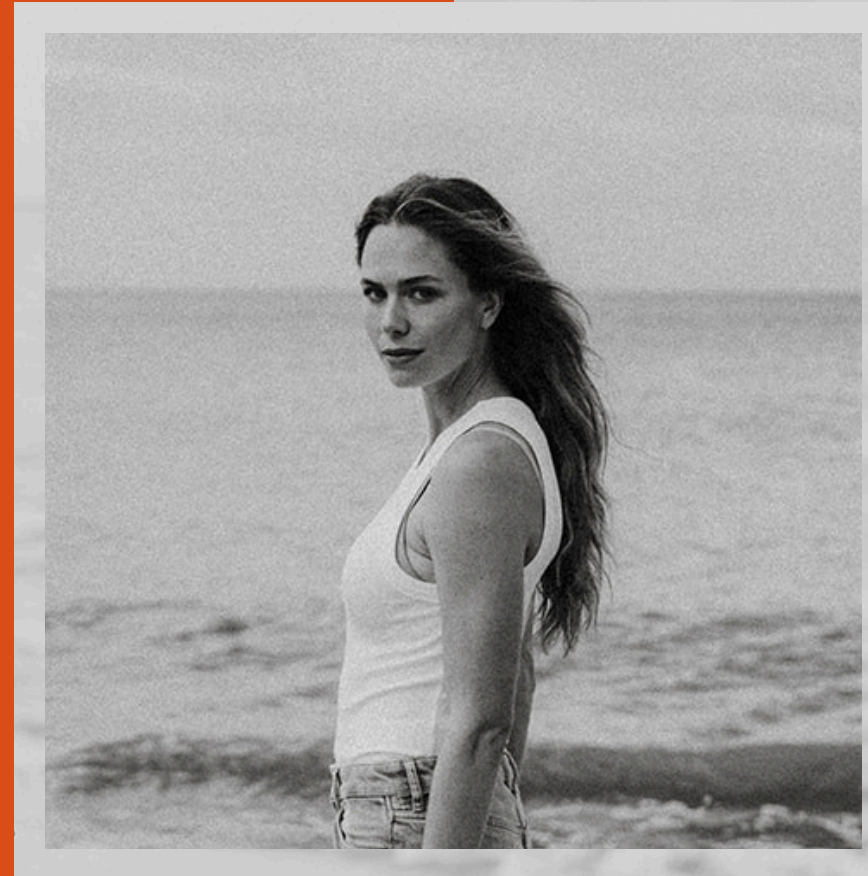
What came back was sobering. One in five women reported experiencing inappropriate workplace behaviour. Thirty percent had occasionally experienced physical violence. Fifty-five percent had experienced emotional pressure or mobbing.

None of this had been flagged in any audit at any of these factories.

This is the finding that matters most, and it's worth sitting with. It is not that the audits were done badly. It's that audits are not built to surface this kind of harm. An auditor spends a day in a factory, asks questions in a meeting room, and leaves. A worker who has experienced harassment from a supervisor who controls her contract, her shifts, and her income is not going to disclose that to a stranger who will be gone by the afternoon. The mechanism that is supposed to catch this kind of harm is structurally incapable of doing so, and the research gave us hard evidence of the gap between what audits show and what is actually happening on the work floor.

The research also confirmed something about the economic context that anyone working in Türkiye already knew, but that is worth stating plainly: the minimum wage in Türkiye increased by a staggering 626% between 2021 and 2025, and it still isn't enough. Hyperinflation has eroded real wages faster than nominal increases can keep pace, and the gender pay gap between men and women workers remains a persistent, structural feature of the sector. Not an anomaly at one factory, but a pattern across the industry.

"YOU CAN'T ASK, 'IS THERE HARASSMENT HERE?' IN A FACTORY TOUR AND EXPECT HONEST ANSWERS."



"YOU'RE ASKING PEOPLE TO TALK ABOUT PERSONAL EXPERIENCES. BUILD TRUST FIRST."

# FOR FAIR FASHION

## WHAT FIVE YEARS OF RESEARCH AND ACTION TAUGHT US

### WHAT WE DID ABOUT IT

We trained people, and then we watched what happened.

In early 2025, two of our main Turkish suppliers (SARP Jeans and Merger Tekstil) each took part in a Violence and Harassment Prevention training programme. This wasn't a generic compliance module. It was delivered in Turkish, on-site, by two local women's rights organisations (KADAV at SARP and CEID at Merger) over two and a half days each, followed by four structured follow-up sessions running through to November 2025.

At SARP, 38 people took part across three separate sessions: management and supervisors, workers, and the OHS committee. Roughly 70% of SARP's workforce is women. The training created a space where workers felt able to talk about their own experiences, in their own language, with people who understood the cultural context they were operating in.

What came out of it was concrete. SARP formed a nine-person worker-management committee (the majority women) which now meets monthly to handle concerns about violence and harassment. Both SARP and Merger developed written V&H policies. SARP went further and built V&H awareness directly into how every new employee is onboarded. A smaller awareness session also reached all 28 workers at Egemen, one of our laundry subcontractors, where the formal grievance mechanism had been flagged as not functioning effectively in a 2024 audit.

### WHAT WE DIDN'T ACCOMPLISH

Our original goal for 2025 was to start paying our share of a living wage at one factory. We didn't get there, and we think it's more useful to explain why than to quietly drop the target.

We did the first half of the work: in 2025, we calculated the actual living wage gap at SARP and Merger for the first time. The numbers are specific. At SARP, the gap between what 90 workers currently earn and the Fair Wear living wage benchmark - €30,617 per month, against a minimum wage of €22,104.67.

Based on our calculations, the living wage premium would amount to about €15 per month (3,5% of the total salary) that workers would receive from Kuyichi on top of their wages. It's a real number, and it matters, but on its own, it would not close the gap for any individual worker's life. This is the uncomfortable economics of being a small brand: our share alone isn't enough to change someone's circumstances.

There's a second factor that compounds this. Türkiye's hyperinflation means any wage figure has a short shelf life. A gap calculated in January can be out of date by June. A premium agreed at one point can lose much of its value before it's even paid.

**"BECAUSE OUR LEVERAGE IS LOW, WE WONDER IF THERE ARE OTHER WAYS TO IMPROVE WORKERS' FINANCIAL SECURITY THAT MIGHT HAVE MORE IMPACT ON THEIR LIVES."**

# FOR FAIR FASHION

## WHAT FIVE YEARS OF RESEARCH AND ACTION TAUGHT US

### THE REAL CHANGE

The most important shift the project produced was a change in how we think about where risk comes from. Before this project, our framing was something like: we monitor our supply chain for problems. The research made clear that this framing has a blind spot. It treats Kuyichi as an outside observer of conditions that exist independently of us. But the research showed something more direct: peaks in production volume at our suppliers were mirrored by peaks in reported violence and harassment cases. Our own purchasing decisions (when we place orders, how much, how late) are part of what creates the conditions the research documented.

That's why, in 2024 and 2025, we rewrote our Code of Conduct from a one-way list of supplier requirements into a genuine two-way contract, with Kuyichi's own commitments on pricing, payment terms, and planning given the same weight as supplier obligations. It's also why our Gender Action Plan (an eight-step process covering everything from baseline data collection to worker committee follow-up) exists. These were the project's findings, translated into how we actually operate.

### WHAT'S NEXT

This work doesn't end because the funded project did. Three things carry forward into 2026 and beyond. First, the Gender Action Plan extends to suppliers in Portugal and Tunisia for the first time, and we'll complete the worker surveys with more suppliers. Second, we're building a multi-year living wage roadmap, using the SARP and Merger calculations as a starting baseline, that maps the gap across our full Tier 1 supplier base and prioritises action based on where our leverage is highest. SARP is also currently part of a separate living wage initiative run by another European brand, providing workers with a monthly grocery card supplement. Kuyichi is evaluating whether we can join this initiative.

Third, we're committed to sharing what we learned. In 2024, Kuyichi hosted a peer-to-peer webinar for other brands sourcing from Türkiye, walking through the research findings and what they meant in practice. We've continued that through participation in the For Fair Fashion Symposium alongside our suppliers. The whole premise of this project was that no single brand can fix a structural problem in an industry. The research, the training models, and the honest accounting of what worked and what didn't, all of it is more useful shared than kept.



On the picture from left to right: Ayşegül Çekmiş (Compliance and HR Director at SARP), Zoé Daemen (previously CR lead at Kuyichi), Nynke Eggen (Sustainability Strategist at Kuyichi), and Sena Öykü Coşgun (Customer Representative at SARP) during the For Fair Fashion Symposium in Istanbul, early 2026.

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# STEP 3 - CEASE, PREVENT & MITIGATE

# EMBEDDING THE FOR FAIR FASHION PROJECT LEARNINGS

The sections that follow take the findings from the For Fashion project and turn them into the practical frameworks we now use across our supply chain. **Living Wages** sets out our methodology and the gap calculations for SARP and Merger, alongside the roadmap this work feeds into. **Gender Equality and Violence & Harassment** Prevention covers the eight-step action plan we will apply to our Tier 1 suppliers, and where each one stands.

None of these are separate initiatives. They're what came out of the project, applied in our HRDD methodology and are embedded into our long-term goals.

## PROGRESS ON GOALS

### 2025 GOAL: IMPROVING WORKPLACE SAFETY THROUGH TRAINING AND SUPPLIER SUPPORT

**What we achieved:** Violence and Harassment Prevention training was delivered at SARP and Merger in early 2025 by local women's organisations KADAV and CEID, reaching 38 participants at SARP across management, workers, and the OSH committee. Both suppliers have since established worker-management committees and both developed written V&H policies. SARP has integrated V&H awareness into onboarding for all new employees. A basic gender awareness training also reached all 28 workers at subcontractor Egemen. No complaints have been reported at either supplier since the trainings.

This work sits within a broader eight-step Gender Action Plan, applied per supplier, covering data collection, grievance mechanism assessment, training, policy support, worker surveys, and wage system review. SARP has completed all eight steps, including verification of a gender-neutral wage system. Merger has completed four of eight, System Denim two of eight, Meltem one of eight so far.

**Still to do:** Worker surveys at Merger, System Denim, and Meltem. The gender-neutral wage system has only been verified at SARP, we want to extend this check to other suppliers. Portugal and Tunisia have not yet been included in active implementation.

### 2025 GOAL: PAYMENT OF OUR SHARE OF LIVING WAGES AT ONE JEANS FACILITY, WITH WAGE COSTS EXCLUDED FROM PRICE NEGOTIATIONS

**Not achieved.** This was our primary unmet target for 2025. We calculated the living wage gap at SARP and Merger as of December 2025, a concrete first step that gives us, for the first time, real numbers on the size of the gap. But translating that into an actual premium payment did not happen yet.

Two factors drove this. First, hyperinflation in Türkiye made any fixed wage benchmark a moving target: a gap calculated in January could be outdated by June. Second, our leverage at most suppliers is structurally low (typically 1-2%, 7-9% at SARP and Merger, our two largest relationships). A premium that Kuyichi alone could fund would have minimal real impact on a worker's income at this leverage level.

**What we did make progress on:** Fair Price training was completed at SARP, and open costing conversations have begun with key suppliers, though this is not yet systematically implemented across our supplier base. The dialogue on wages with both SARP and Merger has deepened substantially over the year.

**Still to do:** A multi-year living wage roadmap is in development, building on the SARP and Merger gap calculations as a baseline. We are also exploring alternative mechanisms to low-leverage premiums, including the possibility of a collective worker fund model, to be discussed with Fair Wear and other brands sourcing from the same factories.

## GOALS

### 2026

- CONTINUE GENDER ACTION PLAN WORK AT MERGER, SYSTEM DENIM, AND MELTEM
- BEGIN GENDER ACTION PLAN WORK IN PORTUGAL AND TUNISIA
- FINALISE THE MULTI-YEAR LIVING WAGE ROADMAP (MORE CONCRETE TARGETS WILL COME FROM THIS ROADMAP)

### 2030

- PAYMENT OF OUR SHARE OF LIVING WAGES AT ALL TIER 1 FACILITIES
- WAGE COSTS EXCLUDED FROM PRICE NEGOTIATIONS ACROSS THE FULL SUPPLIER BASE

# LIVING WAGES

All of Kuyichi's suppliers pay at least the national minimum wage. The problem (particularly in Türkiye, where 99.4% of our production takes place) is that the minimum wage does not cover basic living costs. Closing this gap is one of our most important commitments and one of the hardest to deliver: as a small brand, our leverage at individual suppliers is limited to between less than 1% and 9% of total order volume.

Our approach uses a simplified methodology, deliberately kept lean so that time goes into actions rather than calculations. The five data points we collect are:

- The lowest wage paid
- The medior wage
- Worker count
- Kuyichi's leverage
- The living wage benchmark for the country

In Türkiye, the FWF benchmark for a single worker is ₺30,617/month net (March 2025), against a minimum wage of ₺22,104.67.

In 2025 we calculated the living wage gap at two suppliers. Kuyichi is in the process of calculating this for the full supplier base. Results will be included in the living wage strategy presented in the social report to be published in 2027.

SARP is currently participating in a living wage project run by another European brand, through which workers receive a wage supplement as a grocery card. Kuyichi is not a part of this initiative, but it is worth to note that these initiatives are happening at our suppliers.

Türkiye's hyperinflationary context makes this work particularly difficult. The minimum wage increased by 626% between 2021 and 2025. Wage data collected becomes outdated quickly, and price agreements made months in advance are difficult to adjust in real time.

Kuyichi's internal living wage strategy and multi-year roadmap will be finalized in 2026. It will map wage gaps across all Tier 1 suppliers, define a prioritisation based on leverage, and outline a collaborative approach with other brands at shared suppliers. In parallel, open costing is in use with selected Turkish suppliers to ground pricing conversations in actual labour cost data. Living wage engagement with Portuguese and Tunisian suppliers is planned for 2026.

## AN HONEST REFLECTION

We want to be honest about something that has hindered our progress so far. We know there is a gap between what workers earn and what they need to live, and we want to help close it. But the relationship between what we'd pay and what a worker would actually take home is more complicated than it looks, and getting it wrong could do real damage, in more than one direction.

Part of this is that our buying prices are relatively high. We buy small volumes, which means we pay a higher price per piece than a brand placing big orders. We don't negotiate prices down. We use certified materials, which cost more than conventional ones. So even before any premium, we're already paying more than competitors at the same price and quality level who haven't made these choices. Adding a living wage premium on top of that pushes our piece prices up again. At a time when our margins are already tight, simply because we're a small company with relatively high running costs. If that squeeze gets worse, it's not just numbers on a page. It could threaten whether the company exists at all, which is of course a real consideration.

There's a second worry that matters just as much to us. If we start paying a premium one year and can't keep it up the next, a worker who's been counting on that money for rent, food, or their kids might suddenly have a gap in their budget they didn't see coming. That's not a risk we're willing to take lightly. So instead of starting something we might not be able to sustain, we'd rather take the time to figure out how to do this in a way we can keep up for the long run.

And then there's the question of scale. Where we have our highest leverage (at SARP and Merger) these are smaller factories. But not all our suppliers are small. At a factory with 1,000 to 2,000 workers, where our share of the order is under 1%, what we'd pay adds up to a real amount of money for us, but spread across that many workers it's a very small amount per person. We know we can't pay a living wage across our whole supply chain at once. What we can do is figure out where this money should come from, and make sure that once we start, we don't have to stop.



# LIVING WAGES

## OUR LIVING WAGE STRATEGY

Our living wage financing strategy is built around three principles: prioritise where leverage is highest, act collaboratively where individual leverage is too low to make a meaningful difference, and build toward sustainability rather than starting something we cannot maintain.

In 2025, we completed gap calculations at SARP and Merger (our two highest-leverage suppliers) using the five-point methodology described earlier. These form the baseline for our multi-year living wage roadmap, which will be finalised in 2026 and will map the gap across all Tier 1 suppliers ranked by leverage.

Our financing approach combines three mechanisms.

First, open costing: by making the labour component of each price transparent, we can ensure wage costs are never compressed in pricing conversations. This is in active use with selected Turkish suppliers and will be extended across the full supplier base.

Second, price adjustments: for suppliers where the gap is calculable and leverage meaningful, Kuyichi will work toward building the cost of closing the gap into piece prices.

Third, multi-brand collaboration: at suppliers where Kuyichi's share alone is insufficient to move wages meaningfully, we will pursue joint action with other FWF brands sourcing from the same facility. SARP and Denim Authority are already part of a living wage initiative run by other brands and Kuyichi is evaluating how to join this formally as part of the 2026 roadmap.

We have not yet made a living wage payment. The roadmap will determine the timeline, starting point, and mechanism for doing so in a way that can be sustained.

## THE LIVING WAGE BENCHMARK

Our target wage for Turkish suppliers is the FWF living wage benchmark: ₺30,617 net per month for a single worker (as of March 2025). This is the reference point against which we calculate the gap at each supplier and against which all progress on living wages will be measured. This figure changes regularly due to hyperinflation in Türkiye, so we will use the most recent living wage benchmark available, and our gap calculations will be recalculated accordingly. The figures referenced in this report reflect the March 2025 benchmark and should be read as a snapshot, not a stable number.



# GENDER EQUALITY AND VIOLENCE & HARASSMENT

Gender-based risks, including violence, harassment, unequal pay, and inadequate access to grievance mechanisms, are among the most underreported issues in garment supply chains. Conventional audit tools are structurally inadequate for detecting them. Kuyichi's approach goes beyond auditing, using a structured eight-step action plan: baseline gender data collection, grievance mechanism assessment, labour rights training, supplier gender policy development, worker survey, gender equality and V&H training, worker committee effectiveness check, and gender-neutral wage system review.

The most significant development in 2025 was the completion of Violence and Harassment Prevention training at SARP and Merger, delivered by local women's organisations CEID and KADAV in collaboration with Fair Wear Foundation, as part of the FWF/RVO "For Fair Fashion" project. At SARP, 38 individuals participated across three sessions covering management, workers, and the OHS Committee. Following the training, SARP established a formal nine-person worker-management committee (majority women) which meets monthly. A written V&H policy was developed, and V&H awareness is now integrated into onboarding for all new employees. No complaints have been filed since the training. At Merger, the training was completed and a worker committee formed.

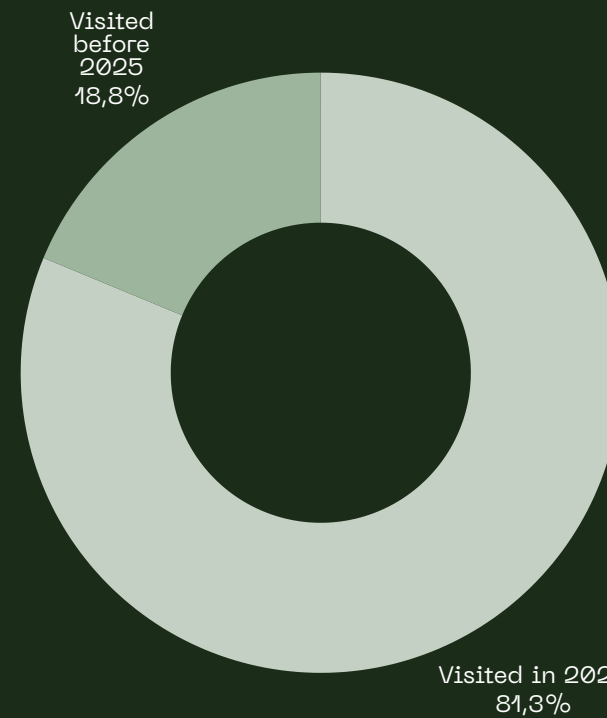
At Egemen, basic gender awareness training was conducted for all 28 workers on site in February 2025, a first step in a context where the grievance mechanism is not functioning effectively.

We are transparent about where we have not yet reached. For System Denim, Meltem, and Egemen, gender policy support and worker surveys are still in progress or pending visits. Portuguese and Tunisian suppliers have not yet been included in active implementation.

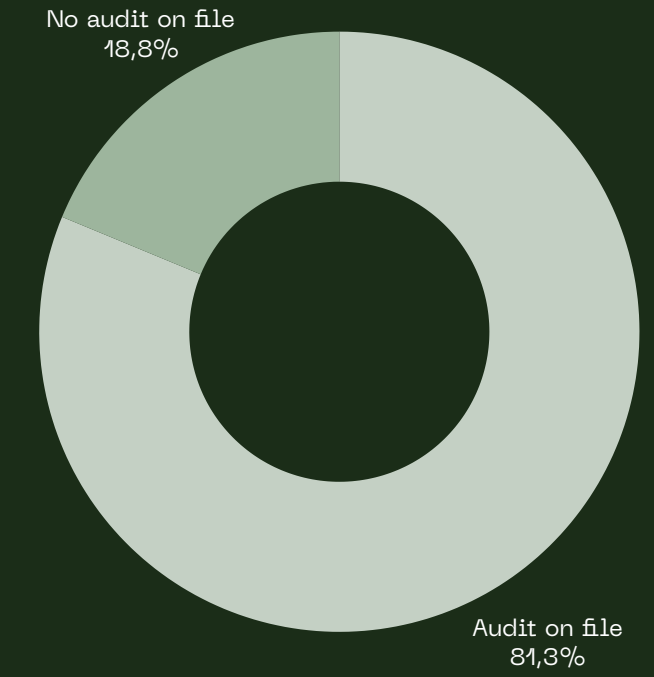


# HOW WE CEASE, PREVENT & MITIGATE HARM

SUPPLIER VISITS  
100% of suppliers visited – 13/16 in 2025



SUPPLIER AUDITS  
81,25% of suppliers audited – 13/16



We take a proactive approach to improving working conditions across our supply chain. This is a continuous cycle: we cease harmful practices when we encounter them, work to prevent them from recurring, and mitigate harm at suppliers where improvement is needed. This works best as a collaborative effort. At our long-term partners, we see working conditions improve over time because both sides keep investing in the relationship.

In 2025, this approach extended beyond our standard audit and CAP cycle. The findings from the FWF/RVO "For Fair Fashion" research programme showed us that some of the most serious risks in our supply chain don't surface through audits. Where that's the case, we're implementing different tools: training, worker committees, and direct dialogue. Our more conventional due diligence - audits, CAPs, certifications, and product-level monitoring - continues to function alongside it.

## AUDITS

Audits remain one of our most effective tools for identifying harm at suppliers. We conduct Fair Wear audits and also make use of audits already available from suppliers' other relationships. Audits are time-intensive for factories, and we'd rather that time go into improving conditions than into another audit. This is what we mean by avoiding audit fatigue. We aim for all Tier 1 factories to undergo a valid audit at least every three years, with at least 80% of our FOB covered. In 2025, 13 of our 16 production locations (81.25%) were covered by a valid audit. Some coverage gaps exist, such as at Sun Belts (audit expired August 2025), and we engage with the supplier to ensure a new audit takes place.



## CORRECTIVE ACTION PLANS

We work with several audit frameworks: Fair Wear, SMETA, BSCI. Each results in a Corrective Action Plan (CAP): findings, a timeline, and the proof documents needed to demonstrate improvement. CAPs are agreed with factory management and, wherever possible, with worker representatives too. Our Sustainability Strategist follows up on CAPs to ensure findings translate into real change, not just paperwork.

## BEYOND AUDITING

Audits and CAPs are necessary, but they have limits. This is why we also rely on certifications like GOTS and GRS, which require yearly audits covering both chemical and social risks across the full certified supply chain, including subcontractors. Because certification requires the whole chain to qualify, it extends our reach into parts of the supply chain we don't audit directly.

We also use our Product Sustainability Checklist, which maps materials, certifications, supply chain partners, and material origins at product level, helping us catch unauthorised subcontracting before it becomes a bigger problem. In 2025, we built on this with a product-level social risk assessment covering all our product groups, looking specifically at process-level risks like chemical exposure during denim washing and homemaker risk in finishing processes. This sits alongside our country- and supplier-level risk assessment.

Where audits and certifications can't reach we're building a different set of tools entirely: local-language training delivered by specialist organisations, worker-management committees, and direct, structured dialogue with suppliers about pricing and wages. Most of this work is supported or facilitated by the Fair Wear Foundation. Together, this is how we cease, prevent, and mitigate harm in the production of every Kuyichi garment.

# THE WORKER QUESTIONNAIRE

## INCLUDING WORKER VOICES IN OUR HRDD APPROACH

Most of what brands know about conditions in their supply chains comes from documents and observation: audit reports, payroll records, fire safety certificates, building permits. These are important. They are also incomplete. Audits are designed to verify what can be verified, and what can be verified is a small part of what workers actually experience.

The FWF/RVO "For Fair Fashion" research project confirmed this in the most direct way possible: workers were interviewed individually by independent researchers. The findings had not come up in audits at the factories. The interviews uncovered insights into the real lived experience of people on the workfloor, and provided nuance that audits would never pick up on. This is the gap the worker questionnaire is designed to address.

### WHAT IT IS

Kuyichi's worker questionnaire was developed in 2025 by reviewing our existing supplier survey against two frameworks: Fair Wear Foundation's eight Code of Labour Practices standards, and the ETI Gender Data Indicators, developed jointly by ETI, BSR, Fair Wear Foundation, and the Partnership for Sustainable Textiles. The result is an anonymous, structured questionnaire that workers complete individually - without management present - across three modes of response: factual yes/no statements, open-ended answers, and perception questions where workers indicate how much they agree or disagree with a statement.

The questionnaire covers all eight FWF labour standards with a consistent gender lens running through each one. On wages, it asks not only whether workers receive a payslip, but whether their wage is the same as colleagues doing the same work, and whether they have control over how their wages are spent. On health and safety, it includes questions specific to female workers: access to sanitary products, comfort during menstruation at work, and workstation adjustments during pregnancy. On violence and harassment, it asks not only whether workers know the policy exists, but whether they feel comfortable reporting a complaint and whether they trust their employer to address it - two very different questions. On freedom of association, it asks whether management actively encourages involvement in the worker committee. On employment, it asks whether a worker was ever asked about their plans to have children during hiring.

Two open-ended questions are included and serve a dual purpose: they generate qualitative data on what workers want to improve and what skills they want to develop, and they provide handwriting samples that make it possible to check whether questionnaires have been filled in independently or collectively by one person, a practical safeguard against group completion or management influence.

### WHY THIS MATTERS FOR DUE DILIGENCE EFFORTS

Good human rights due diligence requires that risk identification is informed by the people most likely to

experience the risks, and not only by the people managing the facilities where those risks occur. The OECD Due Diligence Guidance is explicit on this: meaningful stakeholder engagement, including with workers, is a core requirement of the process, not an optional extra.

The BPC evaluator noted in 2024 that Kuyichi collects gender-disaggregated data in worker surveys but that this had not yet been extended to all eight labour standards. The revised questionnaire directly addresses this: every section now has a gender dimension, and the results can be broken down by gender, department, seniority, and employment type. The 2024 BPC also noted that worker and stakeholder input had only been collected at suppliers where a Fair Wear onsite assessment had taken place, meaning new and prospective suppliers were assessed on documents and visits alone. Deploying the questionnaire during the onboarding of Denim Authority, before any production order was placed, directly addresses this gap.

The questionnaire was deployed at Denim Authority during the sampling phase in 2025, the first time Kuyichi had administered it with a new supplier as part of the onboarding process, and before any production commitment was made. Workers across the facility completed the questionnaire anonymously.

The results confirmed something the audit had not captured: that working conditions are not experienced uniformly across the factory. Different departments had meaningfully different responses, particularly on

topics related to harassment awareness, overtime pressure, and access to facilities. This kind of within-factory variation helps us and the factory management to target our efforts to where they are needed.

### GOING FORWARD

The gender-lens questionnaire will be extended to the full active supplier base in 2026, beginning with Turkish suppliers where visits are planned. We recognise that some suppliers are more willing to facilitate than others, so in some cases this will require more conversations to persuade them of the importance of asking the workers to spend some time on completing the survey. The goal is to identify risks and impacts that audits will not pick up on. Worker questionnaires are not a substitute for audits. They are a different instrument, measuring different things, reaching different people in different conditions. Used together, they give a more complete picture and help make our human right due diligence efforts most effective because we can focus them on where they matter most.



# SOURCING COUNTRIES 2025

SOURCING % BASED ON FOB\*

\*FOB = Free on Board amounts paid to suppliers

KUYICHI HQ

PORTUGAL  
0,2%

TÜRKIYE  
99,4%

MOROCCO  
0,4%

TUNESIA -  
SAMPLING

PAKISTAN -  
EXITED

# COUNTRY RISK PROFILES

Kuyichi's active production in 2025 was concentrated in Türkiye (99.4% of production FOB), with Morocco (0.4%) and Portugal (0.2%). Tunisia is included, as we started sampling with a new supplier here in 2025.

## TÜRKIYE

Türkiye is scored at the highest risk level across five labour standards: non-payment of living wage, workplace violence and harassment, factory working conditions posing threats to worker health, involuntary overtime, and discrimination. State monitoring of working conditions is weak, and trade union rights can be obstructed by factory owners, with legal protections for freedom of association half-hearted or absent. Hyperinflation means garment workers face an ongoing struggle to sustain their families, even as the minimum wage rises. Brand purchasing practices, the situation of Syrian refugee workers, and subcontracting remain key cross-cutting risks identified by Fair Wear and member brands. Gender-based division of labour is profound: women remain in lower-tier sewing roles for far longer than men, and around four in five workers of both genders believe certain jobs are reserved for one gender only. Türkiye accounts for approximately 99% of Kuyichi's production FOB, making it the primary focus of our due diligence efforts.

## MOROCCO

The two leading risk categories in Morocco are freedom of association and living wages, both at medium-high level. Morocco's International Trade Union Confederation (ITUC) Global Rights Index rating improved in 2025, with violations of the right to strike, bargain collectively, and organise downgraded from "systematic" to "regular". Informal employment is pervasive in a sector that directly employs over 200,000 people, 60% of them women, and the FWF risk profile shows child labour as a medium-level risk, worth monitoring at subcontractor level. Sun Belts, Kuyichi's sole Moroccan supplier, accounts for less than 1% of production FOB producing belts, a small product category that only requires occasional re-orders.

## PORTUGAL

The FWF risk profile classifies Portugal at medium risk across violence and harassment, discrimination, freedom of association, living wages, and legal employment relationships, with no highest-risk categories, consistent with FWF's general low-risk classification. However, we consider the living wage indicator to understate the current reality. Portugal's minimum wage was €870 per month in 2025, while average rent for a one-bedroom apartment in a city centre now stands at approximately €900–930 per month, meaning rent alone exceeds the full monthly minimum wage in urban areas where most textile production is concentrated. For garment factory workers earning at or near the minimum wage, the gap between take-home pay and basic living costs is real and widening. We treat living wages as a medium-high risk for Portuguese production despite its classification as a low-risk country overall.

## TUNISIA

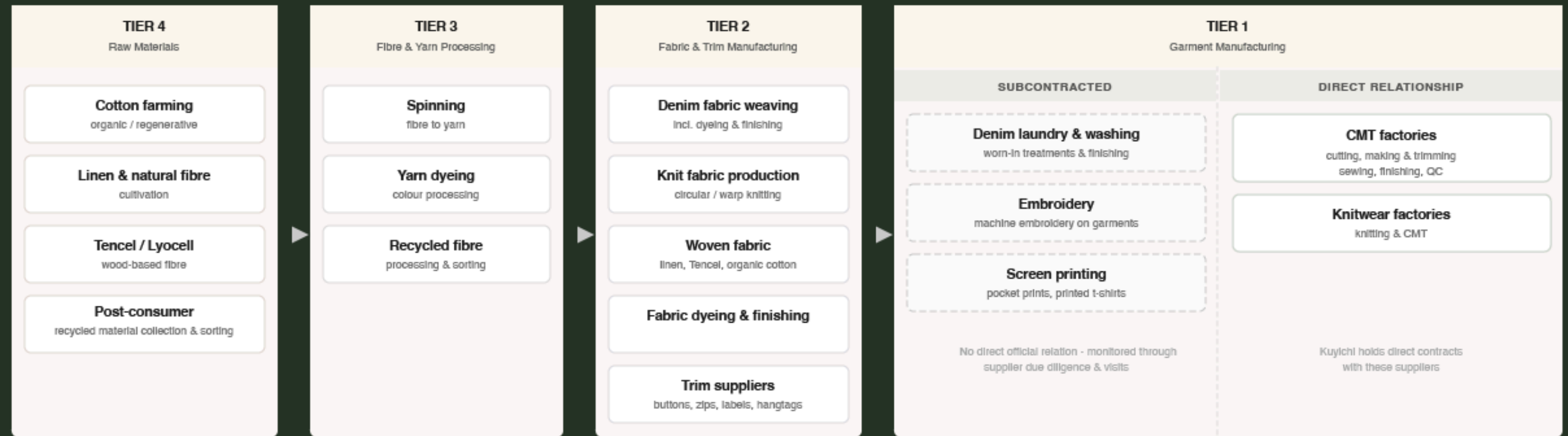
The FWF risk profile places V&H, no occupational health and safety, discrimination, and no legal employment relationships at the highest risk level in Tunisia. OHS standards remain inadequate. On employment relationships, a labour code reform passed in May 2025 making permanent contracts the default, strictly limits fixed-term contracts, and criminalises labour subcontracting, directly addressing the highest-risk "no legal employment relationships" category, and a development with direct relevance for garment factories. On the other hand, Freedom of association is under increasing pressure: the International Trade Union Confederation (ITUC) raised alarm in late 2025 at a systematic campaign to weaken Tunisia's main union confederation, describing worsening violations of trade union freedoms and social dialogue. Kuyichi sources only sampling volumes from Tunisia and has not moved to production in 2025.

# OUR SUPPLY CHAIN

The fashion supply chain is a complex system, and often a very untransparent one. We ask full transparency of our suppliers and reach as deep into our supply chain as we can, so we know where our products come from and the journey they've made. By keeping distances between suppliers short, we limit our carbon footprint and make it more practical to visit multiple partners in one trip. We have over the years put efforts into creating a local supply chain in Türkiye for these reasons.

The diagram shows how our supply chain is structured across four tiers. The sections that follow this page focus primarily on Tier 1, which is also Fair Wear Foundation's main area of focus, and where Kuyichi, as a brand, has the most direct influence and impact.

## KUYICHI SUPPLY CHAIN — TIER OVERVIEW



## TIER 1 - GARMENT MANUFACTURING

Tier 1 covers the facilities where garments are made: our CMT (cut-make-trim) sewing factories and our knitwear factories, with whom we hold direct contracts. Also at Tier 1 are the subcontractors who carry out specialist processes on behalf of those factories: laundry and washing facilities where denim receives its worn-in finish (a standard part of the denim manufacturing process that requires specialist equipment and expertise), embroidery facilities (for waistband stitching and outer garment details), and printing facilities (for inside pocket prints and any printed tops in the collection). We do not hold direct contracts with subcontractors - they work for our CMT partners - but we do conduct due diligence on them, require their disclosure under our Code of Conduct, and visit them as part of our regular factory trips.

## TIER 2 - FABRIC AND TRIM SUPPLIERS

For both denim and non-denim fabrics, we typically select materials used across multiple styles, and some core fabrics are kept on stock. This reduces lead time pressure on our CMT partners, particularly for never-out-of-stock production. We maintain close partnerships with the denim mills that produce our fabrics. In Türkiye, we work with Bossa, a mill known for high social standards and environmental innovation, which is unionised, audited under SMETA, and publishes an annual public report on its practices. We also work with other denim mills with whom we are in direct contact, and we are working on deepening partnerships with our non-denim fabric suppliers. To reduce unnecessary transport and carbon emissions, we relocated almost all trim sourcing to Türkiye in 2017, keeping trims close to the facilities where they are used.

## TIER 3 - YARN PROCESSING

We are in direct contact with the spinners who produce yarn for our denim fabrics. For non-denim fabrics, we know where the yarns come from but do not yet have direct relationships with those suppliers, something we are working to establish, recognising that this comes with challenges as our direct fabric suppliers are accustomed to managing those relationships themselves.

## TIER 4 - RAW MATERIALS

Kuyichi's approach to raw materials starts with our preferred fibres list, which sets out which fibres we use, which we avoid, and which are banned. We focus on fibres with low environmental impact, and these tend to come from companies that also push for improvements in working conditions. For approximately 90% of our raw materials we know the country of origin. Our organic cotton comes primarily from Türkiye, India, and Kyrgyzstan.

# TIER 1 SUPPLIER WORKING CONDITIONS

The pages that follow cover each of Kuyichi's active Tier 1 suppliers and approved subcontractors individually. For each one, we describe what happened in 2025: audits conducted, findings identified, corrective actions agreed and followed up, visits made, training delivered, and any other engagement relevant to working conditions. Where findings remain open, we say so and explain what the next step is.

This is where the due diligence cycle becomes operational, not risk profiles and policies, but what Kuyichi and its suppliers actually did together in 2025 to cease, prevent, and mitigate harm.

## TIER 1 - GARMENT MANUFACTURING

### CUT-MAKE-TRIM SUPPLIERS - DIRECT RELATIONSHIP

#### DEMIRISIK (SARP JEANS) / TÜRKIYE 108 EMPLOYEES / 74 FEMALE / 34 MALE

**KUYICHI LEVERAGE 2025 - 6.8%**  
**LAST AUDIT - SMETA (SEDEX) SEPTEMBER 2025**  
**LAST VISIT - DECEMBER 2025**

Kuyichi has worked with SARP in Bornova, Izmir, since 2018. SARP produces denim and accounts for 53.3% of Kuyichi's production FOB in 2025. SARP holds GOTS, GRS, OCS, and RCS certifications.

In September 2025, a SMETA 4-pillar audit by Bureau Veritas returned zero non-compliances across all audited areas, a significant result that confirms the health and safety and employment contract findings from the 2023 FWF audit have been addressed. Notable good practices recorded: ISO 14001 certified, solar energy system commissioned June 2025, free meals and transport for all workers. The living wage gap at SARP is Kuyichi's most important open finding. SARP is participating in an active living wage project with another European brand; workers receive a wage supplement in the form of a grocery card. Kuyichi is evaluating joining this collaboration as part of the living wage roadmap to be finalised in 2026. A wage verification will be planned in 2026/2027. In February and March 2025, SARP participated in V&H prevention training delivered by CEID and KADAV, facilitated by Fair Wear Foundation. 38 individuals attended across three sessions. SARP established a formal nine-person worker-management committee (majority women, meeting monthly), developed a written V&H policy, and integrated V&H awareness into all new employee onboarding. No complaints have been filed since the training. All other 2023 FWF findings about working hours, employment contracts, health and safety, wages were resolved during 2024 and verified by the September 2025 SMETA audit.

#### SYSTEM DENIM / TÜRKIYE 220 EMPLOYEES / 138 FEMALE / 82 MALE

**KUYICHI LEVERAGE 2025 - 2.8%**  
**LAST AUDIT - SMETA (SEDEX) JULY 2023**  
**LAST VISIT - AUGUST 2025**

Kuyichi began working with System Denim in 2023. The facility is located in Kırklareli in the west of Türkiye and produces denim. It is a well-organised facility with solar panels and a rainwater collection system on the roof.

The most recent social audit is a SMETA audit conducted in July 2023, which confirmed that non-compliances identified in a previous audit had been resolved. No new social audit was conducted in 2025. Given that the 2023 audit is now over two years old, scheduling a new audit is a priority for 2026. A supplier visit took place in August 2025. System Denim has completed two of the eight steps in Kuyichi's Gender Action Plan: baseline gender data collection and grievance mechanism assessment. Training, policy support, worker survey, and the remaining steps are planned for 2026. A new social audit is a priority for 2026/2027, given that the 2023 audit is now over two years old. Living wage gap calculation to be completed as part of the full supplier base assessment.

# TIER 1 SUPPLIER WORKING CONDITIONS

## TIER 1 - GARMENT MANUFACTURING

CUT-MAKE-TRIM SUPPLIERS - DIRECT RELATIONSHIP

### MERGER TEKSTIL (KARANTINA TEXTILE) / TÜRKIYE 48 EMPLOYEES / 24 FEMALE / 24 MALE

**KUYICHI LEVERAGE 2025 - 8.7%**  
**LAST AUDIT - FAIR WEAR AUDIT FEBRUARY 2023**  
**LAST VISIT - DECEMBER 2025**

Kuyichi has worked with Merger in Yenisehir, Izmir, since 2020. Merger produces tops and shirts and accounts for 6.4% of Kuyichi's production FOB in 2025. The facility is shared with another Fair Wear member brand. At 8.7% leverage, Merger is Kuyichi's highest-leverage supplier.

Merger was audited by Fair Wear in 2021 and 2023, and by BSCI in 2022, receiving an A rating, up from a C in 2019. Most findings from the 2023 FWF audit relating to working hours, fire safety, employment contracts, payslips, and social insurance have since been resolved. One finding remains open: the suggestion box location has not yet been confirmed as private and camera-free. Merger has been asked to provide written confirmation and a photo; this will be followed up by a desk review in 2026. A former employee filed an FWF complaint regarding unpaid severance pay. Through a process facilitated by Kuyichi and a co-brand, Merger made a voluntary partial payment, which the worker confirmed receiving and was satisfied with. The complaint is closed. In 2022, Merger participated in the Fair Wear Basic Workplace Educational Programme, positively received by workers and management. In February 2025, Merger participated in Violence and Harassment Prevention training delivered by CEID as part of the FWF/RVO "For Fair Fashion" project, followed by four structured sessions throughout the year. A worker committee was established and a written V&H policy is in development. Effectiveness will be assessed through a worker survey in 2026. The living wage gap at Merger is an open priority. Given Kuyichi's highest leverage position here, Merger is a focal point in the living wage roadmap to be finalised in 2026.

### OZ-MELTEM TEKSTIL / TÜRKIYE 106 EMPLOYEES / 43 FEMALE / 63 MALE

**KUYICHI LEVERAGE 2025 - 1.6%**  
**LAST AUDIT - SMETA (SEDEX) NOVEMBER 2024**  
**LAST VISIT - DECEMBER 2025**

Kuyichi began working with Meltem in Istanbul in 2024. Meltem produces tops and accounts for 5.1% of Kuyichi's production FOB in 2025. Meltem holds GOTS, GRS, and OCS certifications.

A SMETA audit in November 2024 identified 11 findings. Six have since been resolved: the overtime wage formula has been corrected, regular working hours are now within the legal 45-hour maximum, two young workers who had been exceeding the legal limits for minors have since turned 18, and documentation for a boiler operator certificate and drinking water analysis has been provided. Five findings remain open. Three relate to legal wages: annual leave entitlement is not calculated by seniority as required by Turkish law (approximately 18% of workers should be receiving more than 14 days), severance pay calculations do not include the value of in-kind transport and catering benefits, and part of regular wages is not submitted in full to the social insurance agency, creating a risk to workers' future pension and benefit entitlements. Meltem has cited financial constraints for the latter. Kuyichi is requesting a written compliance plan with a target date for all three. Two findings relate to the building licence: the licence covers only four of the six floors, as building regulations changed after the facility was constructed. This cannot be resolved under current regulations. Kuyichi is monitoring the practical safety risk on unlicensed floors, and will discuss with Meltem during the next visit, planned for 2026. The living wage gap at Meltem has not yet been calculated. At 1.6% leverage, Meltem is a lower priority than SARP and Merger in Kuyichi's living wage roadmap, but will be included in the 2026 assessment.

# TIER 1 SUPPLIER WORKING CONDITIONS

## TIER 1 - GARMENT MANUFACTURING

CUT-MAKE-TRIM SUPPLIERS - DIRECT RELATIONSHIP

### OLIVE TREE TEKSTIL / TÜRKIYE 1-50 WORKERS

**KUYICHI LEVERAGE 2025 - 2.7%**  
**LAST AUDIT - SMETA (SEDEX) MARCH 2025**  
**LAST VISIT - DECEMBER 2025**

Kuyichi began working with Olive Tree in Istanbul in 2024. Olive Tree produces knitwear and accounts for 3.7% of Kuyichi's production FOB in 2025. Olive Tree holds GRS and OCS certifications.

A SMETA audit in 2024 with a SEDEX follow-up in March 2025 identified four findings, all in progress. A building-wide fire alarm system is not in place in the multi-tenant building where Olive Tree operates. The supplier maintains its own floor-level fire system and participates in monthly drills, but a building-wide shared system remains outstanding. On working hours, time records from June to August 2025 confirm hours are within the 45-hour weekly maximum, a follow-up question remains open on why not all workers' hours are registered in the system. On social insurance, only the minimum wage portion of wages is submitted through official payroll, management has cited financial constraints and a compliance timeline has not yet been set. The building permit does not cover the floor where Olive Tree operates, an earthquake assessment and cross-building agreement involving five tenants would be required at an estimated cost of approximately €17,000, making this structurally difficult to resolve in the short term. Kuyichi is monitoring the practical safety risk, and progress will be reviewed in 2026.

### SOMANI SOCIEDADE TEXTIL / PORTUGAL 108 EMPLOYEES / 68 FEMALE / 40 MALE

**KUYICHI LEVERAGE 2025 - 0.01%**  
**LAST AUDIT - SMETA (SEDEX/QIMA) JULY 2024**  
**LAST VISIT - DECEMBER 2024**

Kuyichi began working with Somani in Santo Tirso, Portugal in 2025. Somani produces woven and embroidered garments and accounts for 0.2% of Kuyichi's production FOB in 2025. The facility has been operating since 1985 and holds GOTS, OCS, and European Flax certifications. Two legal entities - Somani Sociedade Textil and Somani Vallabh Têxteis - operate in the same building and share orders, space, and workers.

The July 2024 SMETA 4-pillar audit by QIMA returned a strong result. Positive indicators recorded: zero work accidents, 0% overtime, 80% of workers earning above the minimum wage, biometric time recording, 0% annual workforce turnover, and 100% of waste sent to recycling. Two non-compliances were raised. The SAQ had understated the total headcount by not reflecting the shared facility arrangement, this was corrected and closed at desktop review. One finding remains open: the factory lacks smoke detectors and an automatic fire alarm system across the full building, as required under Portuguese law. Somani is required to install the system. The original CAP deadline was within 30 days of the audit (August 2024). This remains unresolved. Kuyichi will follow up with Somani on installation status and request a written timeline in 2026.

# TIER 1 SUPPLIER WORKING CONDITIONS

## TIER 1 - GARMENT MANUFACTURING

CUT-MAKE-TRIM SUPPLIERS - DIRECT RELATIONSHIP

### SUN BELTS EUROPE / MOROCCO 176 EMPLOYEES / 53 FEMALE / 123 MALE

**KUYICHI LEVERAGE 2025 - 0.1%**  
**LAST AUDIT - BSCI SEPTEMBER 2022**

Kuyichi has worked with Sun Belts in Tangier, Morocco since 2018, via Dutch intermediary Van Zon Mode, who conducts regular visits and follows up on the CAP on Kuyichi's behalf. Sun Belts produces Kuyichi's belts and accounts for 0.4% of production FOB in 2025, a small but long-standing relationship. Over the years, Sun Belts has shown significant improvements in audit performance.

The most recent BSCI social audit took place in August 2022 and has now reached its three-year validity limit. The audit's only finding - an insufficiently detailed risk assessment not covering all required areas including fire safety and transmissible diseases - was partially addressed but not fully resolved. Without a valid audit, Kuyichi cannot report on Sun Belts' current compliance status. Given Kuyichi's very low leverage and limited order frequency at Sun Belts, timelines for compliance follow-up are longer than at our main Turkish suppliers. In 2026, Kuyichi will pick up conversations with Sun Belts and Van Zon Mode about the options for a new audit.

### BAS SOURCING / TÜRKIYE 45 EMPLOYEES / 40 FEMALE / 5 MALE

**KUYICHI LEVERAGE 2025 - 0.1%**

BAS Sourcing produces accessories (bandanas) for Kuyichi and accounts for 0.06% of production FOB in 2025, making it one of Kuyichi's smallest active supplier relationships. BAS holds GOTS certification. No social audit is on record for this supplier.

Given the very limited FOB and product scope, BAS has not been prioritised for a formal social audit to date. GOTS certification provides a degree of social and environmental oversight through annual certification audits.

# TIER 1 SUPPLIER WORKING CONDITIONS

## TIER 1 - SUBCONTRACTORS

GARMENT MANUFACTURING PROCESSES TO SUPPORT OUR CUT-MAKE-TRIM SUPPLIERS - INDIRECT RELATIONSHIP

**EGEMEN YIKAMA / TÜRKIYE**  
**39 EMPLOYEES / 7 FEMALE / 32 MALE**

**LAST AUDIT - FAIR WEAR AUDIT  
NOVEMBER 2024**  
**LAST VISIT - DECEMBER 2025**

Egemen carries out denim washing for SARP. A November 2024 FWF audit identified 24 findings. Three were closed at the audit, including FWF CoLP training delivered to 23 workers. The most significant open areas are health and safety (no fire detection, improper chemical storage, no heating in production areas, PPE not worn in spray section), working hours (rest periods and weekly day off not consistently met), employment contracts (incorrect severance calculation, workers not given contract copies), and an ineffective grievance mechanism. Most findings are classified as suggested improvements rather than legal violations. A gender awareness training reached all workers on site in February 2025. A structured grievance mechanism improvement plan, with SARP as a supporting partner, is planned for 2026.

**CNS TEKSTIL / TÜRKIYE**  
**25 EMPLOYEES / 16 FEMALE / 10 MALE**

**LAST AUDIT - SEDEX JULY 2021**  
**LAST VISIT - 2023**

CNS carries out inside pocket printing for SARP's jeans. The 2021 SEDEX audit has expired and no new audit has been planned. GOTS annual certification provides indirect social audit coverage. A new social audit and further engagement are priorities for 2026.

**PARBOY TEKSTIL / TÜRKIYE**  
**0-25 WORKERS**

**LAST VISIT - DECEMBER 2025**

Parboy is a dyehouse for garment dyeing of chinos and shirts. Kuyichi has no direct contract with Parboy; the relationship runs through SARP and Merger, but has maintained a relationship through visits. Parboy is GOTS certified and uses GOTS-certified chemicals for all dyeing processes. The annual GOTS audit includes a basic check of social and environmental practices. During a 2022 visit, Kuyichi discussed improvements to working conditions directly with Parboy and received proof documents of those improvements shortly after. The facility has been revisited in 2023, 2024, and December 2025.

**AKCAKAYA / TÜRKIYE**  
**26-50 WORKERS**

**LAST AUDIT - SMETA (SEDEX) DECEMBER  
2020**  
**LAST VISIT - 2022**

Akcakaya carries out machine embroidery for Kuyichi's jeans, primarily the logo stitching on the inside waistband. Kuyichi has no direct contract with Akcakaya; the relationship runs through SARP. The facility is GOTS certified, collects rainwater, and runs solar panels that cover the majority of its electricity needs. The most recent social audit is a SMETA from December 2020, which showed good social standards and improvements compared to the previous audit. This audit has now expired. The findings were reviewed with Akcakaya during a 2022 visit. A new social audit is overdue and should be planned for 2026. The factory is inactive at the time of writing this report, so the planning is on hold for now.

# TIER 1 SUPPLIER WORKING CONDITIONS

## TIER 1 - SAMPLING / NO ACTIVE MANUFACTURING IN 2025

CUT-MAKE-TRIM SUPPLIER - DIRECT RELATIONSHIP

SUNBONTRACTORS - INDIRECT RELATIONSHIP

**DENIM AUTHORITY / TUNISIA**  
**740 EMPLOYEES / 425 FEMALE / 315 MALE**

**LAST AUDIT - FAIR WEAR VALIDATION ASSESSMENT JULY 2025**  
**LAST VISIT - SEPTEMBER 2025**

Kuyichi began working with Denim Authority in Ras Jebel, Tunisia in 2025. No production orders were placed. The relationship is in active sampling development. Denim Authority holds GOTS, GRS, and OCS certifications and has completed full onboarding, including all policies signed by the facility and its subcontractors, and wage data shared transparently for both living wage calculations and piece price breakdowns. A distinctive element of onboarding was distributing Kuyichi's gender-lens worker questionnaire during a factory visit, to include their voice and their experience in our onboarding and HRDD process. Workers completed it anonymously and it surfaced nuanced insights into how conditions are experienced differently across departments, insights audits would not have reached. Results are informing how Kuyichi and Denim Authority prioritise the open CAP items. Kuyichi visited three times in 2025. The September visit was conducted jointly with CR representatives from two other FWF member brands; CAP follow-up has since been divided between the three brands across the main facility and its subcontractors. A FWF Validation Assessment in July 2025 confirmed significant progress: factory communication, grievance mechanisms, fire safety, ventilation, and medical provision all resolved. Tunisia's new labour law of May 2025 abolished fixed-term contracts, making all workers permanent and resolving several employment findings at once. Open findings: wages below the living wage benchmark, inconsistent overtime pay, canteen and changing room maintenance, dust in cutting and finishing workshops, PPE not consistently worn in the special effects unit, sewing machines lacking eye protection, and anti-fatigue mats absent at standing workstations. A bonus restructuring resolved an earlier inequity but reduced wages for some workers in the process, this is being monitored. One co-sourcing brand has initiated a living wage project at Denim Authority; Kuyichi is following this closely and will explore joining as part of the living wage roadmap to be finalised in 2026.

**L'ORIENT BRODERIE / TUNISIA**  
**32 EMPLOYEES / 18 FEMALE / 14 MALE**

**LAST AUDIT - FAIR WEAR AUDIT MAY 2024**  
**LAST VISIT - SEPTEMBER 2025**

L'Orient is a subcontractor to Denim Authority for the embroidery on the denim. A May 2024 FWF audit identified 23 findings, the majority of which have since been closed, including worker awareness, representative elections, discrimination procedures, noise exposure, and permanent employment contracts for long-tenure workers. Three areas remain open: workers are not receiving a legally required food bonus and additional allowance; safety shoes are not provided; and anti-fatigue mats at standing workstations are worn and ineffective. Wages remain below the living wage benchmark. Work to follow up on and resolve these issues continues in 2026.

**FTS FASHION TEXTILE SERVICE / TUNISIA**  
**14 EMPLOYEES / 8 FEMALE / 6 MALE**

**LAST VISIT — SEPTEMBER 2025**

FTS is a small subcontractor for screen printing with no standalone social audit. A previous FWF audit identified multiple findings across H&S, wages, employment contracts, and worker awareness, all currently marked inconclusive, meaning no validated follow-up has taken place. Kuyichi follows up on FTS in collaboration with two other FWF member brands through Denim Authority.

# TIER 1 EXITED SUPPLIERS

## TIER 1 - EXITED SUPPLIERS

CUT-MAKE-TRIM SUPPLIER - DIRECT RELATIONSHIP

**SOORTY ENTERPRISES / PAKISTAN**  
**4644 EMPLOYEES / 721 FEMALE / 3923 MALE**

**KUYICHI LEVERAGE 2023 - 0,04 %**  
**LAST AUDIT - SMETA FEBRUARY 2022**

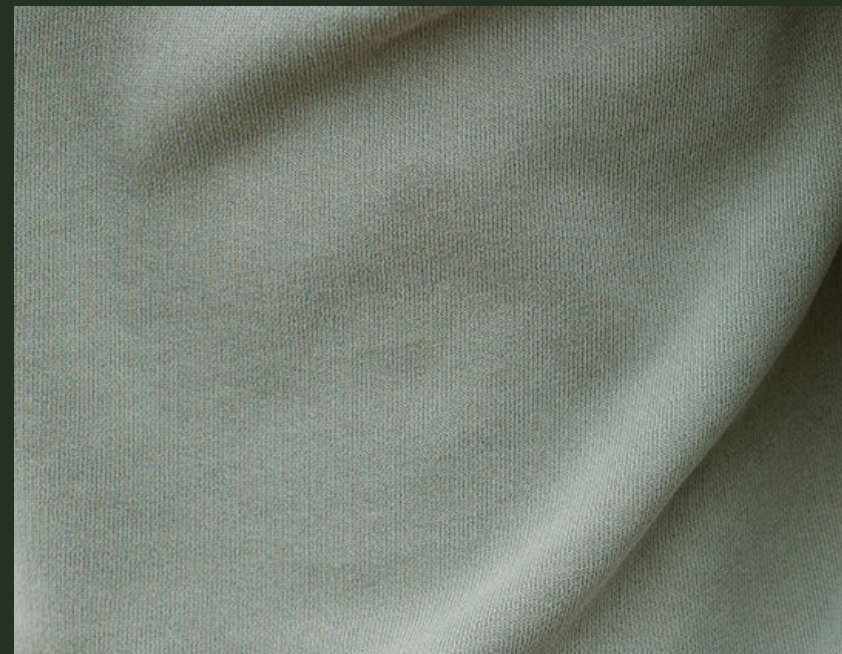
Kuyichi ended its production relationship with Soorty after Autumn/Winter 2024. The decision was mutual: Kuyichi's volumes were too small for an equal partnership with a facility of Soorty's scale. All orders and payments were settled. Soorty is a well-certified facility with strong social and environmental standards. One final invoice was paid in 2025, which is why Soorty is still mentioned in the 2025 report.

# BEYOND TIER 1 FACTORIES

Kuyichi's due diligence does not stop at the factories that cut and sew our garments. We maintain direct relationships with key Tier 2 suppliers and have knowledge of most of our Tier 3 and Tier 4 supply chain. Our leverage at these levels is more limited, and we rely partly on certification to reduce risks, but we monitor actively and engage directly when issues arise.

## TIER 2 - FABRIC SUPPLIERS

For both denim and non-denim fabrics, we select materials used across multiple styles, with some core fabrics kept on stock to reduce lead-time pressure on our CMT partners. One of our main denim fabric partners in Türkiye is Bossa, a mill with high social standards, an active union, annual SMETA audits, and a public sustainability report. We have a close and long-standing relationship. We are also in direct contact with other denim mills and are progressively deepening relationships with non-denim fabric suppliers.



## TIER 2 - TRIM SUPPLIERS

We are in direct contact with all our trim suppliers. To reduce transport and carbon emissions, almost all trim sourcing was relocated to Türkiye in 2017, keeping trims close to the factories where they are used. YKK Turkey produces all our metal buttons, rivets, and zippers. Coats produces the recycled and natural threads used to sew our garments. APxpress makes our woven labels and Vintage Trimmings our paper trims, both powered by solar energy. The one exception is our vegan leather patch, sourced from Panama in Italy, which is partly biobased and produced with solar energy.

In 2025, Kuyichi became aware of a freedom of association issue at YKK Turkey. A dispute had arisen about which union had authority to represent workers at the facility, a question with direct relevance to workers' right to organise. Kuyichi requested information from YKK Turkey on the status of the court case, recent audits, and their freedom of association policies and worker representative systems. YKK Turkey provided the following update: in February 2025, the court ruled that the Petroleum Workers' Union had no legal authority in YKK's sector, in March 2025, YKK commissioned an independent Fair Labor Association audit to verify labour practices across the company, and a formal worker representative election process is in place, with elected representatives communicated to all staff. The FLA audit report was not yet available at the time of this report. Kuyichi will follow up on the findings when received.

## TIER 3 - YARN SUPPLIERS

We are in direct contact with the spinners who produce yarn for our denim fabrics. For non-denim fabrics, we know where yarns come from but do not yet have direct contact with those suppliers, a relationship we are working to establish over time.



## TIER 4 - RAW MATERIALS

Kuyichi focuses on preferred fibres with low environmental impact. For man-made fibres, we use TENCEL Lyocell, TENCEL Modal, and REFIBRA from Lenzing, a company that publicly reports on its social and environmental performance. Elastane comes mainly from Lycra and Creora. For approximately 90% of our raw materials we know the country of origin: organic cotton from Türkiye, India, and Kyrgyzstan, linen from France and Belgium, hemp from France. We rely on GOTS, GRS, and OEKO-TEX Standard 100 certification for risk management at this level - both GOTS and GRS include a basic social standards check alongside environmental and chemical requirements. We are also directly involved in supporting individual farmers in transitioning to certified organic production, in collaboration with Bossa. In 2024, one of the farms we have been supporting harvested its first certified organic cotton.

HOW WE TRACK IMPROVEMENTS

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# STEP 4 - TRACK IMPROVEMENTS

# HOW WE TRACK IMPROVEMENTS

No supply chain is free of risks or impacts. The purpose of due diligence is not to reach a clean report, it is to uncover harm and address it. We do this because we believe the people who make our products deserve the same rights and dignity as anyone else, and because we consider it our responsibility to actively contribute to improving the conditions of those most vulnerable to violations of those rights.

Due diligence is never finished. New impacts emerge, circumstances change, and not everything can be tackled at once. What matters is that nothing gets lost in the process, that findings are followed up, improvements are verified, and gaps are named honestly rather than quietly set aside. This section describes the tools and methods Kuyichi uses to track what has been addressed, what remains open, and what comes next.

## OUR TRACKING TOOLS

Kuyichi tracks compliance and improvement across the supply chain using several complementary tools, each operating at a different level of detail.

The **Supplier Compliance Overview** is the central record of each supplier's onboarding and compliance status. It captures whether the Code of Conduct and all required policies have been signed, whether the FWF questionnaire and Worker Information Sheet are in place, the status of the most recent audit, and the date of the last visit. It also records Kuyichi's leverage and FOB share per supplier, which informs how we prioritise follow-up efforts.

**Corrective Action Plans** are managed across three channels: the FWF Member Hub, where findings from Fair Wear audits are tracked and visible to co-brands sourcing from the same facilities, direct email follow-up with suppliers, through which Kuyichi requests proof documents, progress updates, and written confirmation of actions taken, and Kuyichi's own CAP tracker documents, maintained per supplier, which monitor the status of all open findings with target dates and verification notes. Where multiple FWF member brands source from the same supplier, CAP responsibilities are divided between brands to avoid duplication and increase collective effectiveness. This is currently the case at Denim Authority in Tunisia.

The **Product Sustainability Checklist** operates at style level and is sent to suppliers at the time of purchase order placement. After production, suppliers return the completed checklist with information on raw material origins, certification validity, and subcontractors involved in each product. The Sustainability Strategist reviews each checklist on receipt and addresses any unexpected changes in subcontractors, material sources, or certification status, through direct conversation with the supplier and, where relevant, internally with the production team. This tool does not function as an improvement tracker but ensures that sustainability and compliance information is verified at product level each season, and that changes in the supply chain are caught promptly rather than retrospectively.



# HOW WE TRACK IMPROVEMENTS

## ACTION PLANS AND ROADMAPS

Beyond CAP follow-up, Kuyichi maintains active roadmaps for the three prioritised risk areas: living wages, gender equality and violence and harassment prevention, and freedom of association and grievance mechanisms.

For **gender equality and V&H prevention**, Kuyichi applies an eight-step action plan per Tier 1 supplier, covering baseline data collection, grievance mechanism assessment, labour rights training, gender equality policy development, worker survey, gender equality and V&H training, worker committee effectiveness check, and gender-neutral wage system review. Progress is tracked per supplier and per step, updated following visits and direct supplier engagement. As of end 2025: SARP has completed all eight steps; Merger has completed four; System Denim two; Meltem one. The action plan drives our 2026 programme at Turkish, Portuguese, and Tunisian suppliers.

For **freedom of association**, Kuyichi applies a three-step plan per supplier: baseline data collection from management, a worker survey covering FoA topics, and a structured assessment of the factory-level grievance mechanism, rated as Insufficient, Basic, or Good. In 2025, data collection was completed at SARP, Merger, System Denim, and Meltem. Grievance mechanism assessments were completed at SARP (Good), Merger (Basic, improving), System Denim (Basic), and Denim Authority (Good). Meltem and Olive Tree assessments are in progress.

For **living wages**, the roadmap will be finalised in 2026, building on the wage gap calculations completed at SARP and Merger in 2025 as the baseline. It will map gaps across all Tier 1 suppliers, define a prioritisation by leverage, and outline a collaborative approach with other brands at shared suppliers.

## HOW TRAINING OUTCOMES FED BACK INTO OUR DUE DILIGENCE

One of the most significant changes to Kuyichi's tracking and risk assessment in 2025 came directly from the V&H training programme at SARP and Merger.

Before the training, gender-based violence and harassment was identified in Kuyichi's risk assessment as a known structural risk based on country-level data and the FWF/RVO research. But the risk was documented at sector level, Kuyichi did not have factory-specific evidence of what it looked like in practice at its own suppliers.

The training sessions, delivered by KADAV and CEID in individual and small-group formats, created space for workers to share experiences that had not surfaced through formal channels. Three things became clear that were not visible in audit data: the grievance mechanism at SARP was not trusted or actively used for sensitive issues prior to the training, workers needed a framework to recognise certain behaviours as inappropriate before they could report them, and the gender composition of worker committees affected which issues were raised and how.



# HOW WE TRACK IMPROVEMENTS

These findings had direct consequences for how Kuyichi manages its supply chain. At SARP, the training resulted in a formal nine-person worker-management V&H committee with a female majority, a written V&H policy, and V&H awareness integrated into all new employee onboarding. The grievance mechanism at SARP has been upgraded from Basic to Good in Kuyichi's assessment framework as a direct result. At Merger, a worker committee was formed and a V&H policy is in development, tracked as open steps with 2026 targets.

For Kuyichi's own risk assessment, the training confirmed that audit data alone is insufficient for assessing V&H risk, and that the risk cannot be considered addressed simply because no complaints have been filed. Kuyichi has updated its supplier risk assessment to reflect the distinction between structural risk and mitigation level, which now differs by supplier based on what prevention measures are in place.

The training also directly shaped the development of Kuyichi's gender-lens worker questionnaire, deployed for the first time at Denim Authority during the 2025 sampling phase. It brings the worker voice into the risk assessment at the point of onboarding, before any production order is placed, directly addressing the 2024 BPC recommendation to include worker feedback more systematically in the evaluation system.

## WORKER FEEDBACK IN THE EVALUATION SYSTEM

In 2025, three mechanisms brought worker feedback into Kuyichi's tracking and evaluation process. Worker surveys using the gender-lens questionnaire were completed at Denim Authority, with results informing both CAP prioritisation at that supplier and Kuyichi's Tunisia-level risk assessment. Worker committee feedback from SARP's V&H committee, which meets monthly, provides an ongoing channel through which worker concerns reach management, monitored by Kuyichi through annual visits. For Turkish suppliers where surveys are not yet complete the main source of worker voice is currently visit observations gathered by the CR person and production team during factory trips.

## PURCHASING PRACTICES

Kuyichi assesses its own purchasing practices as part of the HRDD cycle, reviewing how pricing, planning, lead times, and order changes have been managed and whether these practices have contributed to or mitigated pressure on suppliers. The purchasing practices commitments embedded in the 2024 and 2025 Code of Conduct - on wage cost protection in pricing, order change management, and the Breaches clause - serve as the documented baseline. A formal purchasing practices assessment using a structured tool was not conducted in 2025 and is planned for 2026.

## TOP MANAGEMENT INVOLVEMENT

HRDD at Kuyichi is not a standalone function. The Sustainability Strategist leads day-to-day implementation, but accountability sits with the management team. The Sustainability Strategist meets weekly with the CEO, and HRDD progress - including open CAP items that require resources beyond time, supplier developments, roadmap updates, and any emerging issues - is a regular part of those conversations. More urgent matters are flagged directly as they arise, through team meetings, on the work floor, or via email.

Once a year, the Sustainability Strategist presents the full social report to the entire Kuyichi team. This presentation gives every team member - across production, design, sales, marketing, and operations - a complete picture of the HRDD status per supplier, what has improved, what remains open, and what the priorities are for the year ahead. It is the formal moment at which the full scope of the HRDD work is shared across the company, reinforcing that sustainability is a shared responsibility rather than the remit of one role.



# HOW WE TRACK IMPROVEMENTS

## RESPONSE TO 2024 BRAND PERFORMANCE CHECK REQUIREMENTS

The 2024 Brand Performance Check included three formal requirements, actions FWF expects Kuyichi to have addressed in the following reporting year.

The first requirement was to follow up on CAP findings indicating that workers are not aware of the Fair Wear Code of Labour Practices by enrolling those suppliers in an appropriate training module. We have taken steps to increase awareness through several training sessions. The Violence and Harassment Prevention training delivered at SARP and Merger in early 2025 included components on worker rights, the FWF Code of Labour Practices, and how to access the grievance mechanism. A basic gender and rights awareness session was also delivered to all workers at Egemen.

The second requirement was to analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases. We have completed the first part: wage gap calculations at SARP and Merger, a defined target wage (the FWF living wage benchmark of €30,617/month net as of March 2025), and a financing strategy built around open costing, price adjustments, and multi-brand collaboration. The multi-year roadmap that will formalise this into supplier-specific targets and timelines is in development and will be finalised in 2026.

The third requirement was to begin setting a target wage for our production locations. Our target wage for Turkish suppliers is the FWF benchmark referenced above. Gap calculations at SARP and Merger are the first application of this target. The roadmap will extend this to all Tier 1 suppliers.





COMMUNICATE TRANSPARENTLY

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# STEP 5 - COMMUNICATE

# COMMUNICATE TRANSPARENTLY

Transparency is not a footnote to due diligence, it is part of what makes it meaningful. Publishing what we know, what we've found, and what we haven't yet resolved holds us accountable. It also contributes to something larger: an industry in which brands can be held accountable for the working conditions in their supply chains. And lastly, we want to share what we have learned to help others to benefit from these learnings. We are dealing with systemic and complex issues, and progress is quicker if we learn from each other, rather than figuring it out ourselves.

## THIS REPORT

This social report is Kuyichi's primary annual public disclosure on human rights due diligence. It covers all six OECD due diligence steps, describes actions taken and outcomes at supplier level, and names what remains open and unresolved. It is submitted annually to Fair Wear Foundation and published on [kuyichi.com](http://kuyichi.com). The most recent Fair Wear Brand Performance Check is also published on our website. This report discloses supplier assessment findings and corrective action plan status for all active Tier 1 suppliers and subcontractors.

## SUPPLIER TRANSPARENCY

Kuyichi signed the Transparency Pledge in November 2019, committing to publish an up-to-date supplier list every year. The list is published on [kuyichi.com](http://kuyichi.com) and on the Open Supply Hub, an open database that supports collaboration between brands and NGOs sourcing from the same facilities. Our supplier list includes name, address, product type, and worker numbers.

All Tier 1 production locations, including subcontractors, are disclosed on the FWF transparency portal, in line with Fair Wear's transparency policy.

## FAIR WEAR COMMUNICATION

Kuyichi communicates about Fair Wear membership on its website and uses other channels, including social media, to inform customers and stakeholders about Fair Wear membership. In 2025, Kuyichi communicated about its social compliance work through LinkedIn, Instagram, and its newsletter. Published blog posts include an explanation of how the Brand Performance Check works and what Kuyichi's Leader status means in practice, a dedicated article on the For Fair Fashion project, and the annual social report announcement. Kuyichi has also made the FWF/RVO research findings on gender equality and living wages in Türkiye publicly available via the Kuyichi blog.

## GRIEVANCES THROUGH THE FWF HELPLINE

No new complaints were received through the FWF helpline in 2025. Following the V&H training programme at SARP and Merger in early 2025, both suppliers confirmed that no grievances have been filed since the training was completed.



# COMMUNICATE TRANSPARENTLY

## STAKEHOLDER AND WORKER ENGAGEMENT

Kuyichi engaged workers directly in its due diligence process in 2025 through two mechanisms: the V&H training programme at SARP and Merger, which created space for workers to share experiences that had not surfaced through formal channels; and the gender-lens worker questionnaire at Denim Authority, which brought worker voice into the onboarding process before any production order was placed. Both informed updates to Kuyichi's risk assessment and action priorities. Results from the Denim Authority questionnaire revealed meaningful differences in how conditions are experienced across departments within a single factory, findings that would not have emerged from a standard audit.

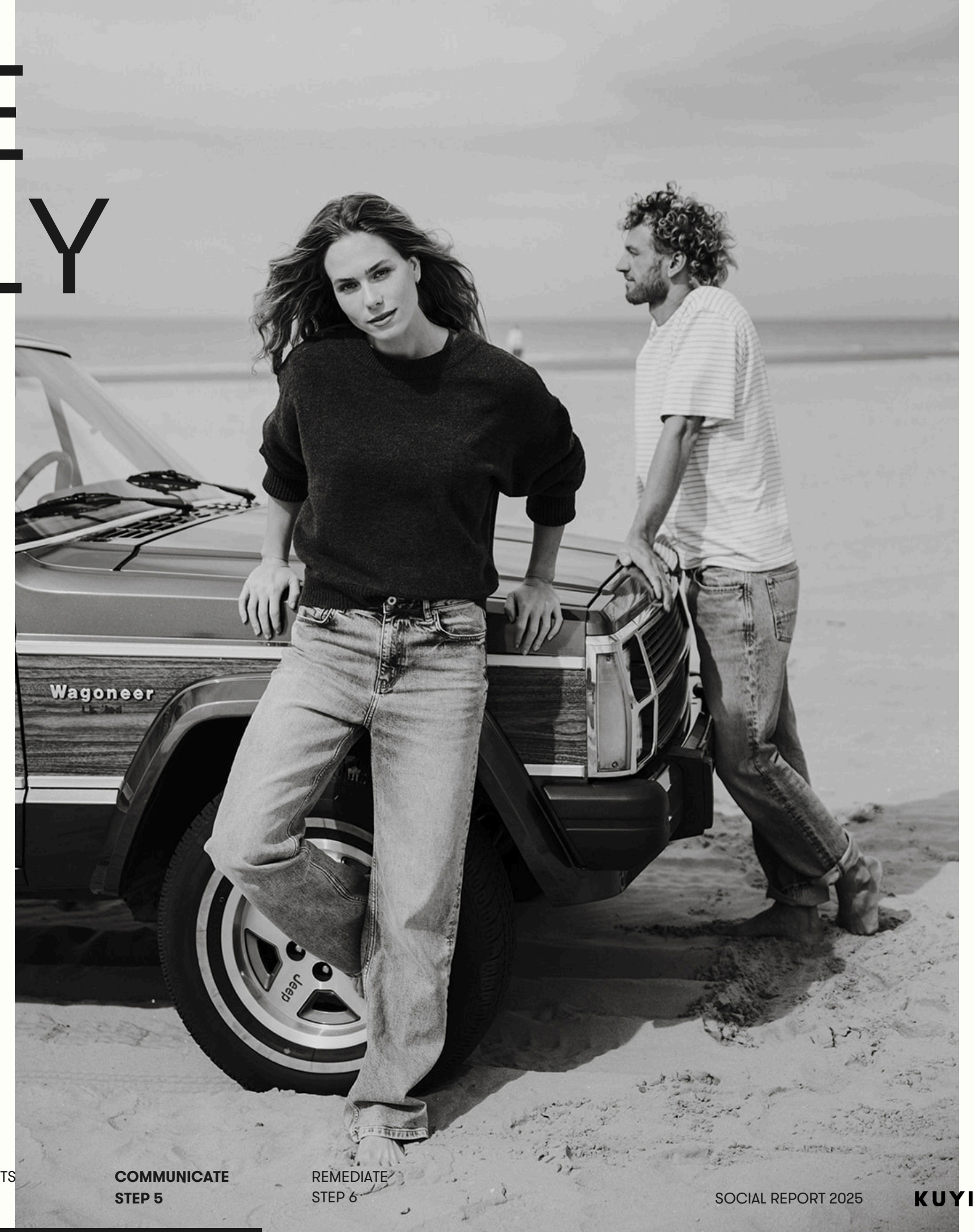
## COLLABORATION

Through the For Fair Fashion project, Kuyichi collaborated with Fair Wear Foundation, RVO, and fellow Dutch brands Schijvens and Zeeman across 25 Turkish suppliers to test policies and interventions on living wages and gender equality. The project concluded in early 2026. At Denim Authority in Tunisia, Kuyichi coordinates CAP follow-up with two other FWF member brands, dividing responsibility across the

facility and its subcontractors. Collaboration with other brands at shared suppliers is a consistent element of how Kuyichi approaches improvement, individual leverage is limited, and shared action multiplies impact.

## POLICY AND INDUSTRY ENGAGEMENT

Kuyichi contributes to knowledge sharing beyond its own supply chain. In 2024, Kuyichi hosted a peer-to-peer webinar for other brands sourcing from Türkiye, sharing the For Fair Fashion research findings. In early 2026, Kuyichi participated in the For Fair Fashion Symposium alongside suppliers, trade unions, and government representatives, and organised a follow-up webinar now incorporated into FWF's member learning programme. Kuyichi is a member of Fair Wear Foundation, Modint, and Textile Exchange, and engages with industry practice through these memberships.





HOW WE REMEDIATE HARM  
PARTNERS IN OUR HRDD EFFORTS

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# STEP 6 - REMEDIATE

# HOW WE REMEDiate HARM

Remediation is what happens when harm is found. Not prevented or mitigated in advance, but discovered through an audit, a complaint, a visit, or an external development. The purpose of this step is to describe how Kuyichi responds when something goes wrong, and what we do to address it at the source.

Most of Kuyichi's remediation work happens through Corrective Action Plans following audits, documented and tracked as described in Steps 3 and 4. This section focuses on two additional elements: the formal complaints channel available to workers, and training as a remediation tool.

## ACCESS TO REMEDIATION - THE FWF COMPLAINTS HOTLINE

Workers at all Kuyichi tier 1 suppliers have access to the Fair Wear Foundation complaints hotline. This is an independent channel, completely separate from Kuyichi and from the supplier, through which workers can raise concerns anonymously. The hotline is operated by Fair Wear and staffed by country-specific handlers. It covers all eight labour standards in the FWF Code of Labour Practices. Contact details are posted in all Kuyichi supplier facilities on the Worker Information Sheet. Workers are informed about the hotline during onboarding and through regular communication. Kuyichi monitors whether the hotline information is displayed correctly and actively communicated as part of supplier visits.



## COMPLAINTS RECEIVED

One complaint has been received through the FWF helpline since Kuyichi became a member in 2020. It was filed in May 2023 by a former worker at Merger, relating to a verbal promise of severance pay that was not honoured. Kuyichi, together with another FWF member brand, actively engaged with Merger through the FWF complaints procedure. Merger made a voluntary partial payment in July 2023, which the worker confirmed receiving and was satisfied with. The complaint was closed as resolved. The full case is documented in the Merger supplier section of this report. No new complaints were received through the FWF helpline in 2025. Both SARP and Merger confirmed that no grievances have been raised since the V&H training was completed.

## TRAINING AS REMEDIATION

The 2024 Brand Performance Check included a specific requirement: to follow up on CAP findings showing workers are not aware of the Code of Labour Practices by enrolling those suppliers in an appropriate training module. At SARP and Merger, Violence and Harassment Prevention training was delivered by local women's organisations KADAV and CEID respectively, as part of the FWF/RVO "For Fair Fashion" project. The training includes components on understanding rights, recognising inappropriate behaviour, and accessing reporting channels. Follow-up sessions were held at each supplier through to November 2025. At Egemen, a basic gender awareness training was delivered, covering the grievance mechanisms, directly addressing the November 2024 audit finding that workers were not aware of the grievance mechanism or their rights. This brings the training programme delivered across Kuyichi's supply chain in 2025 to three separate interventions, involving three different suppliers and multiple training formats, a step up from previous years.

# HOW WE REMEDiate HARM

## REDUCING AUDIT BURDEN

Kuyichi's approach to remediation is designed to avoid unnecessary burden on suppliers. We accept audits from other brands at shared facilities rather than requesting duplicate audits, and we share our own audit reports with other brands where possible. This reduces what is often called audit fatigue: the disproportionate time and resource cost that multiple overlapping audits place on factory management, while ensuring findings are still captured and followed up through the CAP process.



# PARTNERS IN OUR HRDD EFFORTS

Kuyichi's due diligence work is supported by a set of organisations and frameworks that provide independent standards, auditing, certification, and tools. This page gives a brief overview of each.

## FAIR WEAR FOUNDATION

Fair Wear Foundation is an independent, non-profit organisation working to improve labour conditions in garment supply chains. Fair Wear provides the eight-standard Code of Labour Practices that underpins Kuyichi's supplier requirements, the annual Brand Performance Check that independently evaluates our due diligence, and the complaints hotline available to workers at all Kuyichi supplier facilities. FWF also facilitates multi-brand collaboration, audit coordination, and training programmes.

## RVO - NETHERLANDS ENTERPRISE AGENCY

RVO is the Dutch government agency that supports businesses and organisations in the Netherlands in developing sustainable, innovative, and international activities. RVO co-funded the "For Fair Fashion" project through its Fund for Responsible Business, enabling Fair Wear Foundation and three member brands to research and test interventions on living wages and gender equality in the Turkish garment sector from 2023 to 2026.

## MODINT

Modint is the Dutch trade association for the fashion, interior, carpet, and textile industry. Kuyichi is a member of Modint and worked with Modint on the Responsible Contracting Project, a collaborative initiative that helped Kuyichi review and strengthen its Code of Conduct and related policies, making them two-way agreements that reflect both supplier obligations and brand responsibilities.

## CONTROL UNION

Control Union is an independent inspection, certification, and testing organisation. Control Union carries out GOTS (Global Organic Textile Standard), GRS (Global Recycled Standard), and OCS (Organic Content Standard) certification audits at Kuyichi's suppliers. These annual certification audits cover both environmental and basic social requirements across the certified supply chain, including at Tier 2 fabric suppliers and subcontractors, extending Kuyichi's social and environmental oversight beyond Tier 1.

## TEXTILE EXCHANGE

Textile Exchange is a global non-profit that works to accelerate the adoption of preferred fibre and materials in the textile industry. Textile Exchange maintains the standards underpinning GRS, OCS, and RCS, which Kuyichi applies across its supply chain.

## OPEN SUPPLY HUB

Open Supply Hub is an open-access database of global supply chain facilities. Kuyichi uploads and maintains an up-to-date list of its Tier 1 suppliers and subcontractors on the platform, making supply chain data freely accessible to NGOs, researchers, and other brands. The platform enables collaboration between organisations sourcing from the same facilities and supports the kind of multi-brand engagement that Kuyichi pursues at shared suppliers.

## KADAV AND CEID

KADAV (Women's Solidarity Foundation) and CEID (Gender Equality Monitoring Association) are Turkish women's rights organisations that delivered the Violence and Harassment Prevention training at SARP and Merger respectively in early 2025, as part of the FWF/RVO "For Fair Fashion" project. Both organisations brought specialist gender expertise and cultural knowledge that enabled workers to engage openly with topics that conventional audits cannot reach. Four structured follow-up sessions were held at each supplier throughout 2025.



**KUYICHI**  
PURE DENIM

This report reflects an honest insight into our progress on Human Rights Due Diligence. We shared what we've done, what we haven't managed yet, and why. If you have questions about our supply chain, our findings, or our approach to any of the topics covered here, please feel free to reach out. We are open to learning and to sharing our learnings.

Get in touch with our sustainability strategist at [cr@kuyichi.com](mailto:cr@kuyichi.com)