

MALAIKARAISS

Responsibility Agenda

MALAIKARAISS stands for lasting styles of feminine ease, quality and a conscious mindset. We don't identify as a 100% sustainable brand and have been pretty reserved about this topic in the past, because becoming the most responsible version of ourselves is an ongoing journey. We follow this responsibility agenda, with new goals set every season, for the past and the upcoming years.

We are committed to make more responsible decisions, develop holistic products and services; to inspire you to make conscious choices and build for longevity; to minimize our social and environmental impact thriving towards a greener future - we are in this together; to ensure a transparent supply chain, we work closely with our suppliers and manufacturers, mostly family-run businesses, entirely based in Europe, that we keep on challenging season after season to do better. Family business also means a fair and safe work environment, paying above minimum wage, flexible job models and to keep up a constant dialogue about making sure that we work in favor of people, animals and the planet.

Together we have created a refined day to night wardrobe dedicated to the product: defining and developing quality pieces and a collection that transcends trends and seasons - long-time favorites. We are still at the beginning of our sustainability journey, but we are in this together. Our aim is to grow our market share as a conscious brand.

Learn more about MALAIKARAISS' ambitions and what steps have been taken so far.

The following Responsibility Agenda including its targets is guided by the UN Sustainable Development Goals. All employees at MALAIKARAISS are well informed about this responsibility strategy as well as internal customer service staff is trained to inform customers about initiatives, material choices, potential circular practices, etc. Sustainability information is part of the onboarding process and is to be found by each employee in the staff manual. We want to constantly learn and improve ourselves in the field of sustainability. Our Code of Conduct and Responsibility Agenda are updated and revised continuously by the company's sustainability responsible, the COO and CEO.

STATUS QUO & STRATEGIC DIRECTION

STATUS QUO

MALAIKARAISS is still owned 100% by Malaika, it's founder.

Malaika's vision is to continue to build a purpose-driven brand and business that grows organically, creating collections that are made to last, creating a closed-loop process with focus of manufacturing in Europe, on-point forecasts to avoid over-production, selling second season and designing capsules made of deadstock, recycled or up-cycled materials.

We have committed to reduce waste and go carbon-neutral by 2028.

SUSTAINABILITY ROADMAP

From day one:

- Europe only production sites
- transparent supply chain, with regular on-site monitoring
- suppliers committing paying their employees/workers above minimum wage
- diverse and international team, empowering women in leading positions, offering flexible and remote job models
- female-led

2012

- first collection
- sourcing European premium suppliers and manufacturers

2015

- acquiring Star Wars license by Disney
- international break-through
- commercial success
- financial break even
- committing to conscious jewelry production in Germany, using recycled gold only

2018

- implementing a sustainability agenda
- starting 2nd season cycle
- development of first upcycling products
- discontinued all genuine leather products

2019

- cutting of all Asia based production for a fair and transparent supply-chain
- made-to-order recycled gold jewelry capsule

2021

- reduced conventional plastic packaging to 50%
- launching first all sustainable capsule
- introducing vegan leather alternative made of corn-based oil instead of mineral oil collection
- mapping supply-chain tier 1
- strategic partnership with Dr. Hauschka Beauty / WALA Foundation

2022

- reduced conventional plastic packaging to 20% replaced with recycled and bio-degradable alternatives
- replaced 80% of woolen fabrics with Merino, RWS, recycled and mulesing free standards
- offering re-used packaging in exchange for free-shipping for B2C customers
- introducing environmental educational communication concepts to the end-consumer
- refining the collection to a core with 70% key-essential styles and only 30% seasonal styles
- supporting traditional craftsmanship collaborating with a hand-knit and crochet atelier
- 60% of the cellulose we used in production came from responsible sources like Tencel® or certified viscose e.g. Ecovero®
- joined or hosted networking groups with like-minded brands
- giving back – we have committed to give back and support local and international NGO´s monetary and deadstock material – worth 1% of our 2022 revenue

2023

- Emission free delivery within Berlin area
- Publicly available garment manufacturers
- 64% of our collection is made of sustainable materials
- implement care and repair guide B2B & B2C
- monitor carbon emissions and compensate for all of brands travels and events
- first trials using AI / web3 solutions

GOALS

During the next five years it is our ambition to improve our business and work towards decreasing our footprint, benefitting people, planet and animals. Therefore, we've committed to a series of goals, benchmarked for us to reach in 2024 & until 2028.

2024

- aiming to reach 80% sustainable materials
- mapping supply-chain tier 2
- shift to green energy suppliers at office
- 70% of our collection made of sustainable materials + trims

2024-2028

- carbon neutral logistics
- all packaging and tags recyclable
- mapping supply-chain tier 3
- implementing clothing rental service
- 98% of our collection made of sustainable materials + trims

2028

Carbon Neutral

STRATEGIC DIRECTION

MALAIKARAISS commits to social and environmental responsibility. From the use of materials to the way each design is created to minimize waste and improve our Co2 footprint, we are highly focused on continuing a sustainable fashion production. Social and environmental standards on human rights, environment, and climate are discussed at the management level and continuously embedded into our business by the guidance of experts within the field including advisors from *Fashion Council Germany* and *Der Grüne Knopf*.

By focusing on transparent processes, better materials, and human well-being, we believe we can create timeless collections that transcend seasonal trends and disrupt the often wasteful, cycles of the fashion industry to make a real impact and inspire to do better.

Therefore innovation is key. In order to reach our goal of creating products that can be recycled at the end of their life cycle, we have to think differently, design in new ways, and communicate with our customers about our vision to become a more responsible brand and company.

DESIGN

At MALAIKARAISS we want to change up the industries system, in terms of value of clothes, over-consumption and the future of luxury.

Building a brand that is not about the hype but the product and the style, about creating a heritage.

A company not about unlimited growth but responsible impact.

We create a collection that is no hype but designed to be a woman essential wardrobe. A woman confident in her look.

A collection carefully designed for different sizes and body types.

In 2020 we have started to extend our size range up size women 's 46/48 including a body type study with more than 30 +sized women contributing for measurement evaluation.

We aim to optimize and refine our designs each season, to increase their value and Longevity with a full circle mindset, using materials and processes with the lowest environmental impact, and which can be a part of a fully transparent, closed-loop system. We want to continue insisting on craftsmanship and never compromise the design and artistic value of the garments, which make them worth treasuring and keeping for many years.

To continuously improve and push towards responsible solutions, we must stay aware and updated on what is possible. To do this we have committed ourselves to use sustainable innovations as a permanent part of future collections and will incorporate styles made of innovative materials, designed with new methods or sustainable processes.

In the design process we focus on:

- Seasonless and versatile designs
- Choice of better materials
- Minimizing waste
- Craftsmanship
- Improving process - AI and web3 innovation for the win
- Re-purposed and upcycled

PRODUCTION

MALAIKARAISS' collections are made to order, meaning we only produce the quantities our customers have pre-ordered and add-up what we believe sales through malaikaraiss.com can generate. Therefore, we have reduced overproduction to a minimum.

We operate with two main collections a year, with additional limited-edition capsules, available B2C exclusive.

70% of our collection are key-styles that are carried over seasons, only 30% are seasonal styles.

Innovation is key and transparency is essential.

For MALAIKARAISS it is essential to establish even more responsible practices and continuing our most successful long-term collaborations and trusted partnerships.

Because transparency is a crucial element of responsible sourcing and production, we are very focused on assessing each of the links in our supply chain, which is divided into three tiers.

Tier 1 is the final stage of production, which takes place in the cutting and sewing facilities where garments and other products are assembled. Tier 2 includes the steps that transform raw materials into useful fabrics, textiles, and materials to be pieced together during Tier 1.

Examples of Tier 2 processes include knitting, weaving, dyeing, printing, and other wet processing units. Finally, at the point furthest from the customer, is Tier 3, from whom we source the raw material used to make our products. Tier 3 includes textile recyclers and yarn spinners.

SUPPLIER RELATIONS

Our production is located in Europe only.

Regular on-site visits are easy to execute, in order to ensure quality control, monitor working conditions, and most of our suppliers are long-time partners, with whom we have a history of mutual trust and respect built on valued personal and business relationships.

In 2022, 85% of our order volume was produced by long-term partners (defined by more than five years of partnership), a major impact on the stability of our company and our suppliers.

All MALAIKARAISS' suppliers agree to adhere to responsibility policies that serve as standards related to human rights, product and material sourcing, chemical use, environment and climate rules, and animal welfare. Informed by EU regulations, these policies and agreements are updated regularly.

Our current production sites are located in Poland, Germany, Portugal – all defined as 'safe countries' by Amfori BSCI only one production site is located in Ukraine identified as 'risk country' Risk is measured and defined by the World Bank's Worldwide Governance Indicators, and is based on factors such as political stability, corruption, rule of law, free speech, and the presence of violence / terrorism.

Our production site in western Ukraine is run by a German-Ukrainian family based in Munich and Rivne – this is our longest and most loyal partnership we have and we fully trust the people operating on-site. It is a company with two generations of experience in production, collaboration with different sized German fashion brands for many years.

Due to the current situation in Ukraine, we are not able to visit the facilities at the moment.

Our last on-site visit is dated 2019.

During the pandemic and the Russian invasion, we have kept a close relationship with the company, making sure our partner and their +100 employees stay in work and are able to keep up the supply-chain and financial security for the staff.

We mostly produce CMT – which means MALAIKARAISS is responsible for sourcing all materials and trims. Manufacturers are sewing or knitting the garments only.

Except the jersey-category which is produced fully-fashion.

Production sites are monitored by agents on-site on a weekly basis.

SMART MATERIAL CHOICES

MALAIKARAISS ultimate goal is longevity and design with a full circle mindset, using materials and processes with the lowest environmental impact, which can be a part of a closed-loop system - this is our definition of a responsible product. Several components are important in this process: better materials, recyclable products, innovation, improving processes and chemical awareness.

MALAIKARAISS only uses a limited number of materials and has a list of restricted substances in place, following the requirements of the EU REACH Directive.

MALAIKARAISS is committed to be fur and leather free, and with the use of any other animal fibers, committed to only using ethically sourced fibers.

Our choice of materials is a crucial factor, when creating forward-thinking products, as it affects up to 50% of our environmental footprint. When we choose materials, it must complement design and function. Our characterization of a better material can be narrowed down to six C's:

- Cares for the planet - The environmental footprint of the material is considerably lower than its conventional counterpart.

In order to ensure that the items we design and create can be recycled properly, we strive to use easily recyclable materials that have a minimal environmental footprint.

SOCIAL RESPONSIBILITY

For a very long-time already we design collections for a diverse audience and represent an image of a modern and empowered woman or person identifying as female. Despite age, clothing size, body or skin type.

This reflects also in the casting of our shows and campaigns and includes the opinion leaders and testimonials we work with.

All of our collaborations we choose carefully and build loyal and year-long relationships with our partners.

We like to collaborate with like-minded brands, we can learn from and strive 'better business' together. We believe in authentic communication and storytelling, because running a purpose-driven brand also means to educate our community and customers about their possibilities to contribute to a more responsible and inclusive society, about over-consumption, longevity and product care.

Our price calculation does not include an aggressive sale strategy, we try to stay away from hype sales such as Black Friday and focus on limited coupon flash sales for our subscriber community only. Jewelry is an NOS product and is never discounted.

MALAIKARAISS has committed to giving-back, supporting several local and international active NGO's on different levels and have donated monetary and in form of deadstock-materials worth 1% of our annual revenue.