

NUDIE JEANS

Code Of Conduct

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INTRODUCTION

We at Nudie Jeans believe in taking responsibility for our actions and we want a sustainable and healthy development for people and the environment. To work with sustainability in the core processes of our daily operation is a priority for us, and a key factor in the decision making both strategically and operationally.

We want to help improve conditions in the garment industry. That's why we want everyone who works with us to be concerned about human rights, wages, working conditions and social accountability. We also strongly believe in collaborations to achieve a sustainable textile industry, and transparency in the supply chain is the method for it.

Our consumers are not just interested in the quality of the products they buy; they also care about the work behind the brand and the social and environmental conditions of its production.

CHOICE OF SUPPLIER AND THE SUPPLIER'S RESPONSIBILITY

Nudie Jeans and our suppliers share great responsibility towards all people involved in producing our products. Nudie Jeans requires that its suppliers guarantee good working conditions and a good working environment in manufacturing. Our responsibility is to select those suppliers who can guarantee that no-one involved in our production – whether supplier or subcontractor – is denied their basic human rights or suffers any injury. Our conscious choice of suppliers is based on long-term relationships and our sourcing policy.

Nudie Jeans are convinced that many suppliers and subcontractors already do much more for working conditions and the environment than the minimum requirements. We are proud of our relationships and want to continue being proud. We expect participation and dedication in this collaboration. By asking our suppliers to provide Nudie Jeans with reports, action plans and certifications, we can work together to develop this tradition and share it with our concerned customers and consumers.

To ensure that all Nudie Jeans products are produced under fair working conditions and with sustainable methods we have a code of conduct, which applies to all parts of the production chain.

The Code of Conduct is based on international regulations set by the International Labour Organization (ILO)¹ and the UN Universal Declaration of Human Rights² and includes the Code of Labour Practice used by Fair Wear Foundation (FWF)³.

The Code of Conduct applies to Nudie Jeans, our suppliers and their subcontractors. Nudie Jeans is aware that there are cultural and legislative differences between countries. The code of conduct contains the basic requirements we demand of all our suppliers and subcontractors.

1 ILO regulations, <http://www.ilo.org/global/standards/lang--en/index.htm>

2 UN universal Declaration of Human Rights, <http://www.un.org/en/documents/udhr/>

3 Fair Wear Foundation <http://www.fairwear.org>

TRANSPARENCY

For Nudie Jeans, transparency is a key part of the sustainability work. The Brand Performance Check made annually by Fair Wear Foundation are available at www.nudiejeans.com, where the result of our sustainability performance is shown, including the areas which need improvements along with our yearly Social Report. Our annual Sustainability Report is also available on our website.

The Production Guide is an essential tool where we present our production chain. The information is visually displayed on our website where we, per product group, show detailed information about the production premises.

In addition, we require all our suppliers, whether manufacturing suppliers or material suppliers, to be transparent with the locations of the production, both for the product and raw material. We therefore ask that:

- The supplier reports the use of any subcontractor and get confirmation by Nudie Jeans in writing before starting any production.
- The supplier must ensure that subcontractors have taken part of and acknowledge our Code of Conduct and the supplier will be liable if any action is taken in violation of the Code of Conduct.
- The main suppliers and their subcontractors need to sign the Nudie Jeans Transparency policy. And the main fabric and trims suppliers need to sign the Nudie Jeans Transparency policy for fabric and trims suppliers.

ANTI CORRUPTION

Corruption in any form is not accepted at Nudie Jeans. This is communicated to all employees through our Employee's manual and to our suppliers through this Code of Conduct. This means that suppliers cannot offer gifts or other similar items to specific employees in exchange for favors. It also means that no employee of Nudie Jeans can accept gifts from suppliers or partners for personal benefits. The specific regulations are listed in the Anti-corruption Policy.

LEGAL REQUIREMENTS

The requirements Nudie Jeans makes in its Code of Conduct can be more far-reaching than the national legislation. If any of Nudie Jeans' requirements contradicts national legislation, the law applies. Should this occur the supplier must inform Nudie Jeans. We expect that our suppliers are willing to work for improvements beyond the law.

EMPLOYEE RIGHTS

There must be no use of forced labour at any of our suppliers. There should be no discrimination in employment. The employer should treat all employees equally, regardless of their race, ethnicity, sex, religion, political affiliation, trade union membership, nationality, social origin, or disabilities. In addition, the employees should have the right to education, trainings and possibilities to develop their skills. Female workers should not be discriminated due to pregnancy or maternity leave and should be given equal access to employment. For further details see the Human Rights Policy.

CHILD LABOUR

There must be no use of child labour. Nudie Jeans does not accept the economic exploitation of children. According to the UN Convention on the Rights of the Child, people are considered children until the day they turn 18 years. In some of our production countries the legal age is less. If a supplier has employees aged 15–18, they must be treated with special consideration, with working hours and tasks adapted to their low age. For example, they must not do excessive overtime or night work.

FREEDOM OF ASSOCIATION

There should be freedom of association and the right to collective bargaining. Workers have the right to negotiate as a group with their employer ('collective bargaining'). The employer must not punish workers who express their opinions and wishes. All workers have the right to form and join trade unions of their own choice; freedom of association. When the right to freedom of association and collective bargaining is restricted under law, the employer must not hinder other forms of collective bargaining and workers' organizations. Workers' representatives must not be discriminated against and must have access to all workplaces necessary, to carry out their role.

RIGHT TO A LIVING WAGE

Nudie Jeans are striving towards enable all our suppliers to pay a living wage, but wages must at least meet the legal minimum wage in supplier countries where a minimum wage is set by the government, and at least follow the correct CBA wage level in supplier countries where the CBA is used instead of minimum wages. Wages for a standard working week should always be sufficient to meet the basic needs of workers and their families and to allow for some savings. Deductions from wages, which are not provided for by national law, are not permitted. Workers should be informed about how their wages are made up, including wage rates, pay periods and deductions from pay. Workers should receive a pay slip, which specify this information.

Wages shall be paid out regularly and be reasonable in relation to the amount of work. The workers should also be entitled of all legal social benefits, like pension and health benefits and these benefits must be clearly marked on the payment slip.

WORKING HOURS

There should not be excessive working hours; the working hours must follow the law. In any event, workers must not be required to work more than 48 hours per week on a regular basis and must have at least one day off for every seven-day period. Overtime shall be voluntary, and working hours including overtime should not exceed 60 hours per week. Overtime should not be demanded on a regular basis and must always be paid at a premium rate, in accordance with the law. All employees shall be entitled to contractual holidays, sick leave and parental leave with no negative repercussions. Pregnancy may not under any circumstances be considered grounds for termination.

CONTRACTS

There should be a legally binding employment contract. Every worker should get a written contract and all legal social security charges should be paid stated in the contract. The contract should also be valid for short term and part time employed workers.

SAFETY AND WORKING ENVIRONMENT

There should be safe and healthy working conditions.

Nudie Jeans requires that employee safety is always top priority. The employer must provide a safe and hygienic working environment and shall provide protective equipment where necessary and train workers to use it. The employer should also take steps to prevent accidents and minimize health risks. No hazardous equipment or facilities are permitted. Production facilities must have clearly marked exits and emergency exits. A fire alarm and fire extinguishers must be easily accessible on every floor. First aid equipment must be easily accessible and at least one person in each division should be trained in giving first aid. If an injury occurs at work, the employer shall fund all medical costs that are not covered by the insurance. Lighting, heating and ventilation systems shall be designed to ensure a good working environment. The employees shall have access to a sufficient number of clean toilets. Physical abuse, threats of physical abuse, unusual punishments, sexual and other harassment, and intimidation by the employer is strictly prohibited. We prohibit the use of sandblasting on our garments. It is the supplier's responsibility to ensure that the working environment is safe and healthy.

SUSTAINABLE MATERIALS

We define sustainable materials according to Nudie Jeans Sustainable Material Tool. Each product needs to contain at least 70% in its composition of the materials categorized as sustainable, to be classified as a sustainable product. For virgin cotton, we only work with 100% organic cotton in our products and expect our suppliers to provide supportive documentation and certifications.

The use of material origin from endangered animals or fur products are not allowed in the range of Nudie Jeans products, and specified in the Animal Welfare Policy.

ENVIRONMENTAL REQUIREMENTS

Nudie Jeans wants to contribute and influence society towards sustainable development and minimizing the environmental impact of production. We demand that our suppliers and subcontractors follow applicable legislation and regulations regarding the environment such as handling waste water and emissions. We also require suppliers to provide us climate data upon request.

We require all our suppliers, whether production is placed outside or inside Europe, to comply with the European legislation and regulations of chemicals. All suppliers must sign and follow our Restricted Substance List (RSL) which is based on the Europeans chemical legislation REACH but with stricter limitations for many of the listed chemical. We require all our supplier to be updated on the Californian Safe Drinking Water and Toxic Enforcement Act of 1986, also known as Proposition 65. <https://oehha.ca.gov/proposition-65> This means that the chemical content in all products, or any part of a product, should be manufactured in a way that no warning signs is needed according to the requirement of Proposition 65.

We require all our supplier to have a waste water management system and share supportive documentation and water quality test reports upon request. Further details are specified in the Chemical Policy.

COMPLIANCE

If the Code of Conduct is not followed, the conditions must be improved. A first step is always to set an action plan to implement the needed improvements, created in discussions between Nudie Jeans and the supplier. We strive to solve all issues. Non-improvement of conditions can be grounds for termination of our collaboration and any contracts with the supplier, following our exit strategy.

To ensure that the Code of Conduct is followed, Nudie Jeans reserves the right to, at any time, send representatives or external auditors such as Fair Wear Foundation staff to inspect the suppliers and subcontractors producing our products.

The undersigned hereby confirms that:

- We [Name of Supplier] have read the Nudie Jeans code of conduct and accept the terms required of us as a supplier and of our subcontractors.
- We [Name of Supplier] accept that Nudie Jeans, a representative of Nudie Jeans or an external auditor may visit the facilities where goods are produced for Nudie Jeans.
- We [Name of Supplier] accept that if the Code of Conduct is not followed, this may result in our contracts being declared void.
- The requirements in the Code of Conduct are minimum requirements. We are certain that many of our suppliers have even higher demands of themselves. Therefore, we want you to provide us with the relevant certifications and reports to confirm this.

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Business name

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Name and Title of the Signing Representative

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Signature and Date