



NUDIE JEANS

Social Report 2019

www.nudiejeans.com

Start date membership: November 2009

Reporting period: January 2019–December 2019

Nudie JEANS co

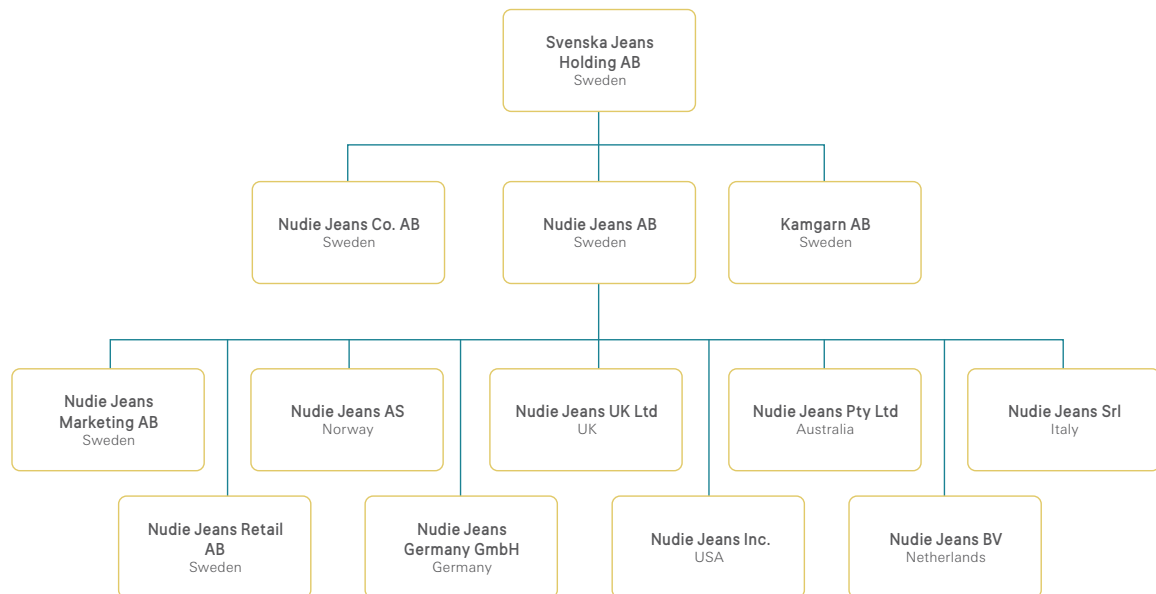


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1. Organisational chart

The above illustrates the Nudie Jeans company group, consisting of thirteen entities where Nudie Jeans marketing is the purchasing part and all transactions for production of our products are through this entity.



2. Summary: goals & achievements 2019

"Today, sustainability is embedded in many of the daily processes within the company, and a key factor in the decision-making, both strategically and operationally. We close 2019 as one of our best year, proving yet again that our long-term focus on sustainable services makes us a strong competitor on the market, gives us loyal – and happy – customers and gives us trust in the future. The daily work will continue to consist of continuous improvements, in the raw material stage, the supply chain and for the end user with an expansion of our repair, reuse and recycling program including more repair partners and shops."

//Joakim Levin CEO Nudie Jeans

In 2019, we made in total 15 audits at both main suppliers, subcontractors and fabrics and input suppliers. Seven audits were made by Fair Wear Foundation's audit team: two in Tunisia and five in India. Eight audits were made by our external auditor in Italy and Portugal.

To support our suppliers in implementing our code of conduct we continued to train suppliers during the year. Two Workplace Education Program-trainings (WEP) was done at our suppliers in Tunisia.

The training sessions are an important compliment to the audits and the ongoing dialogue between us and the suppliers and their continued work of improvement.

In 2019, we worked to resolve two complaints received through the FWF complaints mechanism.

Our engagement with suppliers continued but we also carried on with collaboration with other FWF brands and initiating cooperation with more other brands regarding remediation work and improvement work at several suppliers. We are also collaborating with researchers analysing our sustainability work.

In 2019, we continued our living wage program with our second supplier in India as well as including knitting and dyeing facility belonging to our Indian supplier for jersey into our payments. We have previously included the spinning unit at the same supplier resulting that we are now paying our share of living wages for employees for the full manufacturing phases for our t-shirts, underwear and sweatshirts in India. We are also taking further responsibility, by purchasing organic and Fairtrade cotton, we are making sure that the farmers receive a fair wage.

We also continued working towards raising awareness internally, as well as externally, on how we are working with our suppliers and the importance of improving working conditions in the supply chain. Our 10th year membership and that we were ranked as Leaders in the FWF BPC for the 6th consecutive year was highlighted in our social media in November 2019.

Besides the continuous improvement in the supply chain, we implemented and intensified the work with our Sustainable Material Tool, our Sourcing strategy and have through the development of several other policies formalized our sustainability work. We have put extra focus to our climate work and started to map our emissions according to the Green House Gas Protocol.

In 2019, we have had more opportunities than ever to speak about what we do and promoting sustainable consumption patterns by public speeches worldwide, carried out by several people in the organization.

We are very proud of what we have accomplished so far, and by continuing our practical approach to sustainability, we will take further steps toward a leading position in the denim industry. In the coming years, focus will be on adapting the business model to future challenges and to take an active part in working towards a more sustainable society.

3. Sourcing strategy

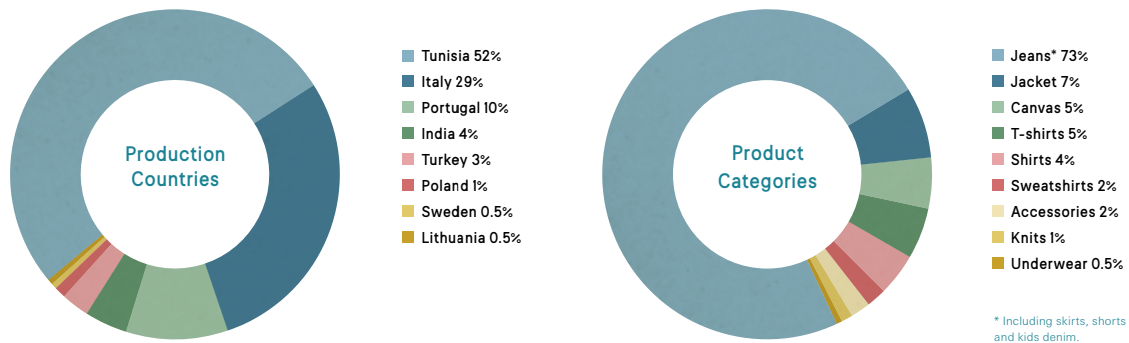
3.1. Sourcing strategy & pricing

Nudie Jeans is not an aggressive sourcing company, we are working with suppliers that we have established a good relationship with and that share our values. When we do need to find new suppliers, we will either look for these ourselves or our agents will suggest new ones. We always visit the production location and discuss our criteria with the management before production starts. All new suppliers need to meet Nudie Jeans’ expectations regarding quality, price, product development, lead-time, working conditions and ability to work with sustainable materials. In order to assure this, we developed our sourcing strategy, where all suppliers must:

- Sign the Nudie Jeans code of conduct before production starts (if a direct supplier).
- Have documented high social, ethical and environmental ambitions.
- Have vertical manufacturing or a limited number of subcontractors.
- Be transparent regarding all units in their production chain and open to auditing as well as be visible on our production guide.
- Have the potential for a long-term partnership and growth with Nudie Jeans.
- If located in a high-risk country, demonstrate a democratic environment in the workplace.
- If located in a high-risk country, be able to show proof of decent working conditions.
- Agree to FWF Workers Information sheet to be posted and allowing access for the audit team.
- Sign the Nudie Jeans Chemical Policy.

In 2019, we visited potential suppliers in Tunisia, India and Italy as we visit all units prior to approving them for our production. When choosing a new supplier, we always evaluate them from a health and safety perspective, previous audit reports are collected, and the code of conduct is explained and discussed with the supplier at an initial visit at the factory. The willingness of the factory management to cooperate and be transparent is a very important element when deciding to start a business relationship. We have an audit assessment manual which we use to evaluate all new possible collaboration with.

In 2019, our production based in Europe reached 49%. During the year, the division of production per production country, based on total production value in 8 countries, is showed below:



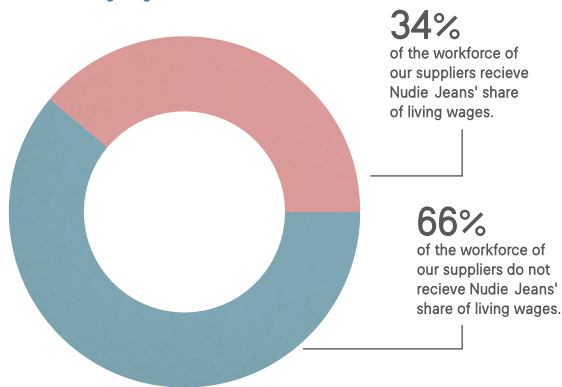
According to the latest Brand Performance check, 63% of our production volume are produced at suppliers where we have had a business relation for at least five years and 64% of our production volume comes from production locations where we buy at least 10% of the production capacity.

NUDIE JEANS PURCHASING PRACTICES

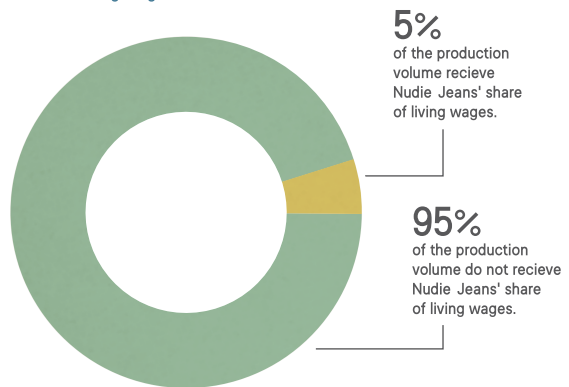
Nudie Jeans strive to have long term relations and healthy discussions with all our suppliers. The Nudie Jeans purchase practices includes forecasting, production based on actual orders and for some products, prefinance of organic cotton seeds and forecasting of the cotton volume. The product prices are subject to discussions mainly if new technologies, treatments and other details are added, but considerations for sustainability aspects such as certification costs, labor wage costs, our share of living wages and Fairtrade premiums are also an important part for our buyers to consider in the discussion with suppliers.

In 2019, we expanded our living wage payment to include the knitting and dyeing units at one of our Indian suppliers. Through these actions, we pay our share of living wages to employees from the raw material stage throughout the supply chain, to the final garment.

Employees in the supply chain who receive Nudie Jeans' share of living wages:



Proportion of the production volume in which employees receive Nudie Jeans' share of living wages:



At most of our suppliers, wages are collectively bargained, especially in Europe. 4,020 employees at our suppliers are covered by a collective bargain agreement (CBA), which is 47% of the workforce and 92% of the production volume.¹ Adding the number of CBA-negotiated wages to the share of living wages paid by Nudie Jeans listed above, 7,445 employees in 2019 – 86% of the workforce in our supply chain – received either salaries according to their negotiated CBA or an additional amount paid by Nudie Jeans, representing around 90% of our production volume. This leaves about 10% of employees in our supply chain who are paid above minimum wage, but below a living wage.

3.2. Production cycle

During the past years we have reworked our production cycle, where the sales periods are shorter while the production periods are longer. As a result, the production is less time-pressed which decrease the risk of short deadlines and overtime work. We also have an open dialogue with our suppliers regarding their peak and low seasons, where we try to place orders/styles that are running during the whole year more specifically to the supplier's low seasons to balance their workload. The suppliers are receiving the orders from our own retail, online and wholesale sales departments at the same time. If new fabrics are needed, a pre purchase of the fabric based on estimated quantity can be made to make sure the production lead-time can be kept. The lead-time for production varies for different product groups, if a new fabric is developed or if we are using stock yarns.

For garments with longer lead-times for fabrics and production of for example outerwear, we pre estimate the quantity and send the orders approximately one month earlier than other orders.

For example, for denim production and t-shirt production, from the date when the factory receives the order, they have 12 weeks to produce before dispatch from the factory.

¹ Calculated on all production locations after the fabric stage.

We have today four collections a year (Spring, Summer, Fall and Winter) where Spring and Fall are main collection and Summer and Winter are smaller collection. We also have two capsule collections and in addition, running styles all year around, which are never out of stock items.

In 2019, we found overtime at two of the audited suppliers, but according to suppliers- it was not related specifically to Nudie Jeans production.

3.3. Factory Relations

We always visit the suppliers before taking a decision of sourcing. When on site, we make a visible inspection of the factory as well as discuss sustainability issues with the management to get an understanding of their view on this work. If we look for a new supplier, it is important for us to know that the supplier share our sustainability vision and the concern for environment. We are also asking for the possibility to read existing audit reports, and we check during the first visit what has been implemented of the findings. All staff visiting suppliers on nudie jeans behalf uses the Nudie Jeans supplier assessment manual and checks general points for improvements and possible risks. The visits are normally done together with the sustainability manager, buyer and/or the head of product development

In 2019, we started to work with a new main supplier, C&S for our denim production. We made several visits and an audit before starting the production.

3.4. Integration of monitoring activities and sourcing decisions

During the year, sustainability, supply chain and product development department have regular evaluations of suppliers, where we discuss how they perform. The sustainability manager is responsible for bringing up critical issues related to working conditions or health and safety risks that might affect the production. When Nudie Jeans place orders, the key factors are quality, price, working conditions and the ability to meet our environmental requirements. As we mostly have only one product type made at each supplier, the order stock fluctuates with changes in sales. This means that it is hard for us to reward a supplier with more orders when they improve their performance regarding to code compliance. We do not weigh in sustainability when we divide orders between suppliers as we believe that all our current suppliers are on a high level and the decision is more due to technical issues and choice fabrics connected to a certain supplier.

Our ambition is to cooperate and work with other clients using the same suppliers as we do. In 2019, we have done so with several FWF members as well as other companies. In our cooperation with these brands, we have shared our audit reports, updates on CAPs and encouraged them to join our living wage efforts. We plan to continue this cooperation in 2020 and expand it to other factories where we see a need for this.

4. Coherent system for monitoring and remediation

When we plan for coming audits and select suppliers to be audited, we make an evaluation based on the current status of the supplier; if and when the latest audit has been done, status on improvement work, status on complaints and the related communication and follow up. If we have any new suppliers, we strive towards auditing them in an early stage of the cooperation. We are working with the goal of re-auditing suppliers each 2-3 year if the follow up and the remediation work is running smoothly. If we see the need for a re-audit or a verification audit at a supplier before this time interval, we have the economical flexibility of planning for audits more frequently. We work with the same audit strategy for all our suppliers, based in low- risk as well as high risk countries, including subcontractors. The corrective action plan gives us a very good overview of the current situation and pinpoint the most important areas for improvement which also helps us prioritise our follow up work. We can see that the issue with Payment of Living wages is an important topic throughout the supply chain and is also one of Nudie Jeans focus area.

Factory	Country	Product Group	Production Process	Auditor
Everest	Italy	Jeans	Laundry	Most CSR
Logistic center	Italy	Jeans	Laundry	Most CSR
Fares	Tunisia	Canvas	Sewing	FWF
Blue & Dye	Tunisia	Canvas	Laundry	FWF
Armstrong unit I	India	T-shirts	Laundry	FWF
Armstrong unit II	India	T-shirts	Sewing	FWF
Officina3	Italy	Patches	Cutting/printing	Most CSR
Armstrong spinning unit	India	T-shirt	Spinning	FWF
Armstrong knitting unit	India	T-shirt	Knitting	FWF
Armstrong processing unit	India	T-shirt	Dyeing	FWF
Gabritex	Portugal	T-shirt	Sewing	Pedro Martins
LIS	Italy	Jeans	Laundry	Most CSR
Bomber	Italy	Jeans	Sewing	Most CSR
Estampa Pintos	Portugal	T-shirt	Printing	Pedro Martins
Professione Moda	Italy	Jeans	Sewing	Most CSR

During audits a corrective action plan (CAP) is written with a time frame agreed between the auditor and the factory management. Relevant Nudie Jeans staff is informed about the outcome of the audit and the CAP.

The follow up of the CAP is coordinated by the Nudie Jeans sustainability manager. The first step will be done through email communication in which the supplier updates Nudie Jeans on the progress. At a second stage an on-site visit will be scheduled. In cases where we have agents, such as Portugal, they will be involved in the follow up visits.

Nudie Jeans strives to have a close communication with the supplier regarding the measures taken to improve working conditions. This includes discussing how Nudie Jeans can assist the supplier in reaching the corrective actions required. Documentation of the progress with the CAP is done in a CAP-excel sheet and kept on the common server at Nudie Jeans.

4.1. Fares/Tunisia

In 2019 we made an audit at Fares, the factory is a sewing unit which we share with another FWF member, and there's been an active collaboration regarding the audit follow up after the audit. The factory was selected for auditing since the latest audit was done in 2016 and we've had several training sessions and follow up of the previous audit finding. The main findings on last year's audit was mainly about health and safety and the labour practice of living wages. The findings included the need of calculations for living wages and lack of a functional fire alarm as well as ergonomic chairs. We have received the filled in wage cost sheet from this supplier and will analyse the result in beginning of 2020 to see if we can act towards higher wages.

4.2. Blue & Dye/Tunisia

We use Blue & Dye for washing of our canvas products. The audit at Blue & Dye was scheduled to follow up on the previous audit in 2017 and to see the improvements made. The findings in the latest audit were related to factory communication, for example that the factory does not have a system to monitor its own working conditions and improve its compliance status and lacking certain policy documents. Other findings were related to freedom of association for example that the existing union(s) is non-functional and that workers do not know who their representatives are. Findings regarding health and safety included not trained first aid personnel and that suitable PPE was not issued to workers. The audit follow up is shared with another FWF member.

4.3. Armstrong Knitting Mills/India

In India, the five units belonging to the Armstrong group was selected for a verification audit in 2019. The audit showed that there has been significant improvement at some of the units, where other audits showed some non-compliances mostly related to health and safety, especially in the newer facilities for knitting and dyeing.

The wage ladder showed that our share of living wages is contributing to a higher wage for the employees, although not yet reaching the FWF benchmark but well above the minimum wage.

In the spinning unit, we could see major improvements related to previous non compliances. This is due to a continuous dialogue and effort from the management of the spinning unit.

In the sewing units we could also see many improvements, especially in health and safety and communication between management and employees.

4.4. Gabritex/Portugal

In 2019, we made an audit at the sewing unit for t-shirts and sweatshirts. During previous visits we have reviewed audit reports from other brands and have been able to follow the development over the years since the last Nudie Jeans audit in 2016. The result at the sewing unit for this audit revealed no non-compliances at all.

4.5. Estampa Pintos/Portugal

In the supply chain for our jersey we work with different printing units depending on the printing technique. In 2019 we first made a visit and first assessment of the location and thereafter scheduled an audit at printing unit Estampa Pintos. The audits in Portugal are conducted by an independent auditor that works according to FWF methodology.

The findings from the audit includes the safe and healthy working environment, for example *recommendations* on providing annual evacuation drills, education on using PPEs and improve air quality in the building.

4.6. Bomber/Italy

The audit at Bomber was selected since it was two years since the last official audit, and we have worked on the improvements. The findings are related to health and safety and include that the factory should have fire drills annually as well as provide with general H&S trainings annually. The most serious finding here is related to payment of living wages where the payment to employees are delayed and for some months not paid according to the CBA. The audits in Italy are conducted by MOST CSR and follows the methodology of FWF.

4.7. Lis/Italy

We made an audit at the laundry LIS where we made several audits before over the years.

The audits in Italy are conducted by MOST CSR and follows the methodology of FWF. At the latest audit, there were only two findings, one that the employees should be more aware of the CoLP and that the salaries were delayed.

The main findings in the audit was the late payments to employees, due to low production volumes from all clients. Other than that, there were a few non- compliances for health and safety.

4.8. Officina3/Italy

Officina 3 is our supplier for the Jacron patch on the back of the jeans. The audit at Officina 3 was made by MOST CSR, following the FWF methodology. Officina 3 was selected for the audit since it was 3 years since the last audit. During this period, Officina 3 expanded their business and premise. The findings in the latest audit was all related to health and safety and in relation to the new part of the building where Fire alarms needed to be installed, ventilation system needed to be checked, adequately stored chemicals. All non-compliances were closed in 2019.

4.9 Professione Moda/Italy

Professione Moda is the sewing unit for a new denim supplier in Italy. We started to produce samples in 2019 and scheduled the audit in December 2019 before the production started. Before that, representatives from Nudie Jeans visited the facility and we had a good and transparent communication with the main supplier C&S. The findings from the audit was related to the payment of living wages for example to reduce the number of fixed term contract, and some discrepancies with the payments. There were also findings regarding the health and safety, for example some blocked fire extinguishers and exit routes. Most of the non-compliances were corrected within one month.

4.10. External production

N/A

5. Complaints handling

In all production units, including subcontractors, we have posted the Code of Labour practice in the local language for the employees to read. The content should also be informed verbally to the workers by the factory manager or through trainings. This is how the employees learn about the FWF complaints system, as well as through the WEP trainings focusing on workers' rights.

When receiving a complaint, we immediately have an internal meeting to set a strategy as complaints are handled differently depending on the situation. In most cases, we inform our main supplier directly that a complaint has been filed and try to give all details without disclosing sensitive details about the plaintiff. In some cases, the supplier will then investigate the complaint further, in other cases, or as a second step, we will visit the supplier directly. In certain cases, we can involve our local production team or an NGO we collaborate with. A direct visit will usually be accompanied by an external consultant or an FWF audit team.

In 2019, Nudie Jeans worked with two incoming complaints. Normally we consider a high number of complaints as a positive reflection of the level of awareness of the complaint mechanism among the workers. It shows that the workers both have knowledge of FWF complaint mechanism but also have the confidence to use it. If no complaints were received, it could be an indication of a lack of knowledge of the complaint mechanism or that workers are afraid of filing a complaint. Nudie Jeans support the development of a clear and open internal dialogue at all our suppliers, where it's possible to raise and solve problems internally, but when complaints are received, we also get the chance to work on these issues together with both the factory and the workers.

CASE 1

The labour standards related to this complaint was Employment is freely chosen; Living wage; Legally binding employment relationship

The complainant had been working as a tailor in the factory for the last few years. As a practice, occasionally he/she would be asked to work along with the piece rate workers (The factory has piece rate workers coming and working as and when there is a requirement).

There were some arguments between the supervisor and complainant regarding the location in the factory, whether to work with the piece rate workers or in the tailoring position. Thereafter there were further discussions around verbal abuse, resignation and settlement payments. The factory has been willing to discuss the case with the complainant and the FWF team. The case was closed in February 2020 when the complainant dropped the case. The full report is available on FWF website.

CASE 2

The labor standards related to this complaint was Living wage; Legally binding employment relationship

The complainant joined the factory in January 2012 as a helper, resigned in 2018 and rejoined in March 2019. He/she applied for Provident Fund settlement for the period 2012-2018 but did not receive it. Factory management repeatedly told the complainant that he/she would receive the settlement soon. However, this did not happen, and the complainant decided to contact the FWF helpline for help.

The factory management explained that though employer's approval is not required for Provident Fund withdrawal, the universal account number (UAN) and the company ID are necessary for the Provident Fund office to trace the worker's details. Factory also added that this complaint may be a result of misunderstanding as workers sometimes do not understand how the withdrawal of Provident Fund works. Continental asked FWF to check with the complainant. FWF complaint handler contacted the complainant to know whether he/she would be willing to disclose his/her name. The complainant said that he/she had resigned of his/her own free will and was already working elsewhere. He/she confirmed to have received the UAN from the factory and no longer needed help with the complaint. The complaint was closed in August 2019.

6. Training and capacity building

6.1. Activities to inform staff members

We have sustainability themed presentations, including information on the FWF membership, several times a year for both global wholesale sales staff as well as the staff in our own Repair Shops. These presentations are often a mix of both information on Nudie Jeans general sustainability work, and how we are working with FWF and what the membership means, but also more interactive parts such as quiz and case discussions. These presentations are often very appreciated as it reminds everybody of the important work that we do, and it puts a reality and purpose behind the work, beyond only selling products.

In 2019, employees at the head office, the global sales offices and store staff have been continuously updated on progress, audit results and other relevant information in meetings as well through e-mail. A monthly sustainability newsletter is sent to all staff of Nudie Jeans as well as to all agents and staff in production countries. The information about each audit is available for anyone at the HQ to read. We are also having special sustainability info session with staff in the shops to discuss further how we work. By educating the salespeople in the shops we have a great opportunity to spread the word of what we are doing directly to the customers. In 2019, we expanded the information to Nudie Jeans US and the staff at our shops in New York and Los Angeles.

6.2. Activities to inform agents

All production agents and Quality controllers are receiving the monthly sustainability newsletter, which includes information on audits in production countries, articles and other work related to production countries and sustainability.

The agent we are working with in Portugal have worked for us for many years and are well updated on how we are working with the code of labour practises. Even if Portugal is rated as a low risk country, Nudie Jeans are working with equally rigid audits and follow up work as with suppliers based in high risk countries. Therefore, we are also very conscious about keeping our agent up to date, and to involve her in the continued communication on follow ups and the remediation we do with our suppliers in Portugal. The agent Nudie Jeans work together with in Turkey are themselves very committed to sustainability issues and developments and are used to help us follow up according to FWF standards.

6.3. Activities to inform manufacturers and workers

We have instructed all our suppliers to post the FWF Workers Information Sheet at all production sites including subcontractors such as laundries and pressing houses. This is also checked when we visit the suppliers. It is required to put up the posters in all relevant languages in many locations if the factory is spread over a large area.

The FWF Worker Education Program trainings was held at one factory in Turkey and one factory in Tunisia in 2019.

In recent years, suppliers in India, Turkey and Tunisia participated in the Fair Wear Foundation's WEP. Nudie Jeans facilitated and paid for training at the suppliers, covering 57% of our purchase volume in the countries where FWF's WEP was offered. The training in Tunisia was a follow-up training session of the previous year's training and included an introduction to FWF, FWF standards, communication and the grievance mechanism, as well as information on the complaint's mechanism. The training in Turkey had increased interest from employees and management on the topic of living wages.

In India, the factory participated in workers' training, raising awareness about workplace standards and grievance systems, and developing functional anti-harassment committees. Other types of training programs have been offered for line supervisors, where the focus was on leadership and teamwork, as well as types of harassment and how to identify them. They also had separate trainings with a local NGO.

The feedback from the WEP trainings has been very positive. Workers were happy to attend this training and provided feedback that they had a better understanding of FWF Code of Labour Practice and a deeper interest for the topic of living wages at the Turkish supplier.

7. Information management

In 2019, we have worked with collecting the Workers info sheet and signed questionnaire through the digital platform Worldfavor.com

We have our own staff as well as good communication with our main suppliers to identify the subcontractors in our supply chain. We managed to visit all production countries including all main suppliers and subcontractors except Lithuania in 2019.

8. Transparency & communication

We believe that an important part in being a sustainable brand is to increase transparency towards the customer and the wider public. For us, focus has been on the social aspects of production, meaning transparency on how and where production takes place. Having transparency of our production locations enables us to address any non-compliances and take responsibility in our supply chain. Those who are interested in our production can find detailed information on our website. We support the Transparency Pledge by having a full list of all our suppliers available for download on our website. At the time of this writing, we have about 20 sewing suppliers, 35 subcontractors for laundry, printing and embroidery, and about 35 fabric suppliers, 20 trims suppliers, and 10 raw material suppliers. Of these, we have made visits at 69% of the suppliers in our full supply chain.

We put significant effort into keeping the supply chain as consolidated as possible. For consumers to see how everything is connected, we developed the Production Guide in 2013. The Production Guide is an essential tool in which we present our supply chain online. The information is presented visually on our website, where you can click on the products for detailed information about the production premises. The Production Guide is updated four times annually according to the seasonal collections presented in the Repair Shops and online shop. In the Production Guide, we publish information on audit procedures, materials, transportation, audit summaries and general supplier information. It also lists the raw material suppliers and links to their websites.

In 2019, we took further steps in our transparency work. We initiated a new internal project aiming to develop and present transparent information on the product level on our website. Our aim is to present both social and environmental information for each product. During the year, FWF also increased the transparency requirements for brands, something for which we have been advocating for years. This change will result in a transparent supplier register on the FWF website and more supply chain transparency among member brands.

2019 was significant in terms of sustainability communication. We increased our sustainability communication and had several social media posts regarding the social sustainability aspects, for example on the fashion revolution week, the sustainability report release and our 10th year membership at FWF. The FWF brand performance report, social report and sustainability report can be downloaded from our website.

Our transparency and communication work have also included being interviewed for several publications regarding different aspects of our sustainability. In 2019 we participated in more than 200 interactions to share our knowledge, with both PhD students, university, high school and junior high school students, as well as with researchers and journalists, including interviews and study visits, 76 of them were conducted by our head office and the rest in our Repair Shops.

We also held 21 public speeches globally, such as presentations or panel talks, at various events with different target groups and purposes. In 2019, we spoke at the Swedish American Chambers of Commerce in New York, at the European Union's Forum on Eco Innovations in Vienna and at the University of Gothenburg's School of Business, Economics and Law, to mention a few occasions. In addition, we engaged many of our colleagues globally to reach even further with the voice of Nudie Jeans by participating in local sustainability related event.

The organizations we have chosen to partner with have all their specific purpose and area of work that aligns with Nudie Jeans Sustainability work. The most crucial networks for our daily operations are the membership in STICA, RISE, Fair Wear Foundation and Textile Exchange.

SWEDISH TEXTILE INITIATIVE FOR CLIMATE ACTION



The purpose of the Swedish Textile Initiative for Climate Action (STICA) is to support the apparel and textile industries and their stakeholders in the Nordic region to, at a minimum, reduce greenhouse gases in line with 1.5C of warming, as outlined by the United Nations Framework on Climate Change and the Paris Agreement.

sustainablefashionacademy.org/STICA

TEXTILE EXCHANGE



We have been a member of Textile Exchange since 2009. Textile Exchange is a global non-profit organization that works to make the textile industry more sustainable. Textile Exchange inspires and equips people to accelerate sustainable practices in the textile value chain. The organization focuses on minimizing the harmful impact of the global textile industry and maximizing its positive effects.

textileexchange.org

FAIR WEAR FOUNDATION



We have been members of Fair Wear Foundation (FWF) since 2009. We have been an active member of the living wage Incubator, where selected FWF brands work with challenges related to implementing a living wage. The latest Brand Performance Check is available on Nudie Jeans' website, as well as on the FWF website. Nudie Jeans has been in the "Leader" category for six years in a row, since 2014.

fairwear.org

RISE



Since 2015, we been a member of Kemikaliegruppen (The Chemical Group) at the Research Institutes of Sweden (RISE). It is a platform for chemical knowledge in the textile production chain, for staying updated on chemical legislation and regulations, for communicating chemical requirements to our suppliers and for responding to questions from the media and consumers on this issue. We meet four times annually and share experiences and knowledge with other brands, NGOs, experts in the field and authorities.

ri.se

During the year, the country studies for Tunisia, Turkey, Italy and India made by FWF have been great resources when preparing for meetings with suppliers. The risk assessment for Turkey have also been of great use during the year as the political situation has been unstable.

In addition, we attended seminars and discussions with Save the Children regarding Homeworkers and child labour, Her project regarding factory trainings and UNIDO – for a pilot on waste recycling project in Tunisia with our suppliers. This kind of discussions are valuable for our internal development and understanding for these issues and helps us in our due diligence work in production countries.

9. Corporate Social Responsibility

In 2019, our further sustainability activities have included:

- We recycled old Nudie Jeans and produced a new denim fabric of these fibers, captured in the styles of the Rebirth Capsule.
- We increased the sales of our most sustainable product, the Reuse Jeans with 20% and sold 3521 pairs.
- In 2019, we produced 97.7% sustainable products. We define a garment or accessory as sustainable when it contains at least 70% of the sustainable fibers defined in our material tool.
- We were ranked in the Leading category in Textile Exchange Material Change Index.
- During 2019 we expanded the range of our Repair Service by opening more new official Repair Partners and traveling to new places with our Mobile Repair Station.
- 2019 was the first year we mapped all our emissions from our full supply chain in accordance with the Green House Gas protocol. We will offset all our emissions and in 2020 we will set reduction goals and create an action plan to meet these goals.
- In 2019 we introduced the new video communication concept, What the FAQ, where we answered frequently asked questions from our users related to sustainability and our products.
- In 2019 we repaired 63,281 pairs of jeans and collected 11,573 pairs. This means we prolonged the lifespan for 50 000 kilos of textiles, just by repairing jeans, an amount which would require 441 000 tons of water in new production.
- We received some awards:
 - Swedish prize **Encouragement for Action** – in the category Fashion retail talks sustainability for the Nudie Jeans Repair shops.
 - Australian **Good design award** – for our circular business model including Repair service, sales of Reuse Jeans and Recycle projects
 - Swedish **Habit award** – Denim supplier of the year
- Making carbon offsets for shipments and packaging through the UPS Carbon Neutral program since 2016 and Avisera through the program ÅterBära.
- We have in 2019 sourced a new polybag supplier to consolidate the production of our polybags and to make sure that all polybags that are used for our production are made in 80% recycled plastics.