

NUDIE JEANS

Methodology for product calculations

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This document presents the most important methodological choices, assumptions, and estimates made for the product calculations at Nudie Jeans.

GENERAL COMMENTS

We at Nudie Jeans have mapped the total emissions of our business since 2018. We follow the Greenhouse Gas Protocol (ghgprotocol.org) as a method for the calculations and map the emissions in all three scopes. We based our total emissions for the year 2021 on 75% primary data, e.g., actual data from suppliers in Tier 1, Tier 2, and Tier 3.

Based on the data collected, we have, together with the climate consultants at 2050 Consulting AB (2050.se/en/), calculated the average emissions for specific product styles based on the products:

- Specific supply chain and processes
- Fiber composition
- Weight

This is the first time we have published our climate impact on the product level. We do it with an explorative mindset, staying humble before the complexity of emission calculations and the rapid development within this field. The purpose of making the product calculations is to break down the emissions from the supply chain of Nudie Jeans to make it more understandable for our customers and users. We hope this increased awareness of our products' climate impact will drive consumption and garment use in a more responsible direction.

We present the methodology below as bullet points to describe the calculations' system boundaries and methodological choices.

- We measure climate impact in kg CO₂e, and we measure water use in liter.
- We base our calculations on the weight of a size medium for each product group.

SYSTEM BOUNDARIES

Below are the system boundaries we have followed making the product calculations.

Emissions and water use in the product calculations include:

- Production processes from raw material to the final product (fabrics, trims, lining).
- The packaging material used in the supply chain.
- Transports in between suppliers in the supply chain.
- Inbound transports from tier 1 suppliers to Nudie Jeans warehouse in Borås.
- E-commerce packaging.

Emissions and water use in the product calculation do not include:

- Outbound transport, e.g., distribution.
- Use of sold products.
- Reuse or repair of sold products.
- End-of-life treatment of sold products.

We didn't include the above emissions in the product calculation as we worked with a cradle-to-gate approach. We also excluded emissions and water use connected to the distribution, the user phase, and the product's end of life since they vary widely based on how and where the products are used and shipped.

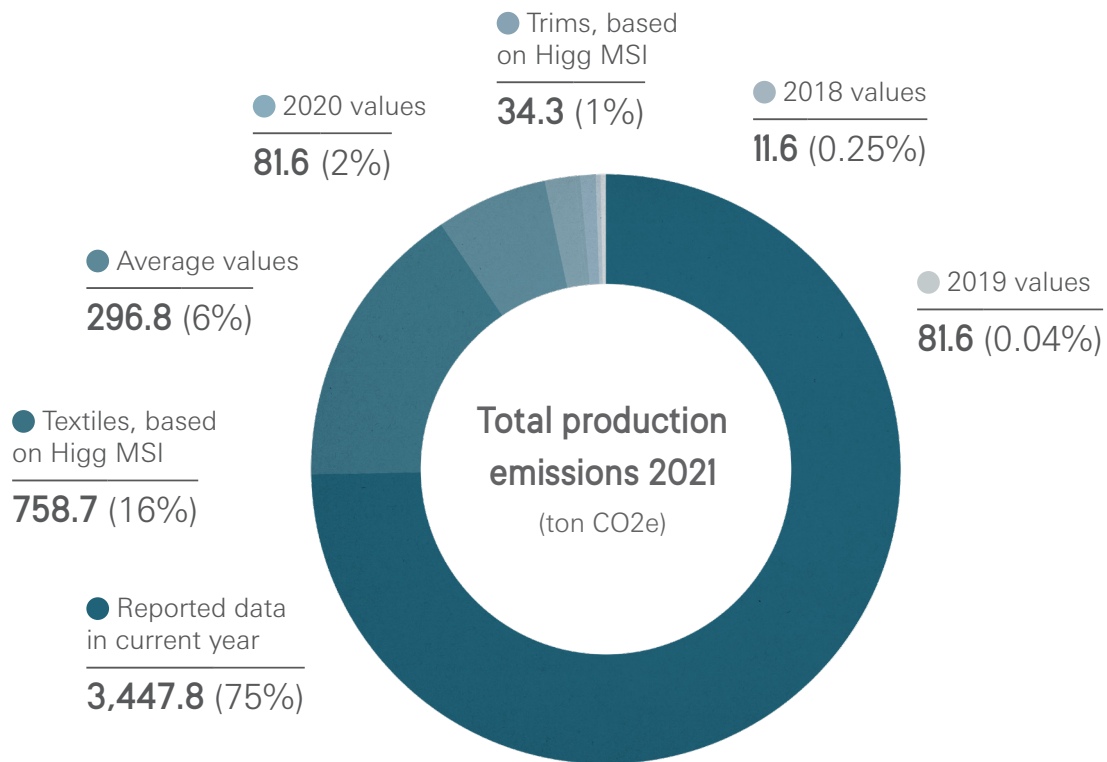
The product calculations did not include other indirect emissions and water use related to Nudie Jeans' organization, such as electricity and heating in offices, business travel, and waste management in their operations.

CALCULATION METHODOLOGY

Production data:

- The primary supplier data that creates the basis for 75% of Nudie Jeans' total emission in 2021 was used for the product calculations when available for the relevant suppliers in the supply chain of the specific product.
- If a supplier in the supply chain of a specific product had not reported their actual data, we used secondary data.
- We prioritized secondary data as follows:
 1. Reported data from the specific supplier from the previous year(s)
 2. Average data based on reporting suppliers in Nudie Jeans' supply chain carrying out similar production processes within the same tier.
 3. We used global standard values from the Kering's environmental KPIs for the water calculations and Higg MSI for the emissions calculation when secondary data was unavailable based on the above premises.
- This means that we ranked the data sources according to the following system:
 1. Actual data reported for 2020
 2. Actual data reported for 2019
 3. Actual data reported for 2018
 4. Averages per tier, based on values from reporters 2018-2020
 5. Material weight and standard values from Kering's environmental KPIs for the water calculations and Higg MSI for the emissions calculation.

This figure shows the split of data types used for Nudie Jeans’ production emissions for the entire year of 2021.



- Primary supplier data include fuel, energy, and water use in production processes, packaging material used, and production waste from the procedures performed in the supply chain.
- We based the raw material data on the weight of the materials used in fabrics, trims, and lining, including any sustainable attributes related to the production of each product.
- We expect an increase in primary and good secondary data coverage and data quality to improve in the coming years.
- Based on where the suppliers were located, the corresponding national grid mixes for electricity consumption were applied.
- Some suppliers conducted several processes in-house, but not all processes applied to all products produced at the specific factory. Energy and water data per process for these factories were not in all cases collected; in these cases, we broke down aggregated supplier data to different processes based on reported information from other suppliers or by looking at studies and relations between MSI emission factors. Studies used include, e.g., Mistra Future Fashion’s report Environmental assessment of the Swedish Clothing Consumption and Quantis’ report Measuring Fashion in WRI’s report Roadmap to Net-Zero.
- We are aware of the critique towards using MSIs data for product calculations and communication of product’s impact based on the same. As we have the possibility of basing our product calculation on a large share of actual, primary data collected from our suppliers, and using MSI values only for a part of our emissions connected to textiles, e.g. 16% of the

emissions from our supply chain, we will continue to work with the product calculation as described in this document. If further discussions will arise on the use of MSI data, we will evaluate our methodology and the use suggested data bases accordingly. We will also stay up to date on any developments made within coming Green claims regulations on EU level.

Transport data:

- An RFI of 2.7 was applied for all air transports to account for the increased greenhouse effect from high altitude cloud formation. The scientific conclusions on the impact regarding the RFI value vary, but IPCC recommends using 2.7.
- The transport data included in the product calculations were emissions from transport between suppliers in the supply chain and Nudie Jeans' inbound transports.
- We calculated transport emissions from the supply chain based on average transport emissions for all products purchased in 2021.
- We calculated inbound transport emissions based on the specific supplier's standard transport mode and the distance from the supplier to Nudie Jeans' warehouse in Borås.

WATER DATA

Our calculated water use per product is seemingly low compared to general water use in the textile industry. We have assessed the water calculations and have not been able to identify the exact reason for this but comparing our result with the previous LCA study [“Comparative Life Cycle Assessment of Jeans – A case study performed at Nudie Jeans”](#) by Emma Åslund Hedman, the results do not differ significantly. We recognize the risk of errors in the reported supplier data, even though we made a plausibility analysis on an individual supplier basis.

As noted by Åslund Hedman in the LCA, one reason for the low water use might depend on the common rain-fed organic cotton cultivation practices, where water added to the soil through rainfall are calculated differently than manual irrigation with water from a natural body of water, such as a river or lake or ground water. We have calculated the actual water use from our suppliers and have used the standard values from Kering's environmental KPIs when data was missing and for all raw material production. We used Kering's environmental KPIs for our water calculation as they measure the actual water use like we have done, compared to Higg MSI that measure water scarcity.

Åslund Hedman also compared her results of the water use from production processes in Tier 3, Tier 2, and Tier 1 to a study made by Levis Strauss (2015) and a study made by Roos et al. (2015) and the water use data from the same process stages in the supply chain do not differ significantly. Based on these findings, we consider our calculations reliable, but we are open to reassessing the situation if new facts are introduced.

We calculated water use according to the setup below:

- Water use for tier 4, raw material production, was calculated based on Kering's environmental KPIs. Kering's environmental KPIs are in turn, based on water data for the specific fiber and country of origin. In the cases where the country of origin of our used fibers were known, we used the same KPIs; in cases where the country of origin of the specific fiber was unknown, we used a global average.

- We calculate actual water use and not water scarcity. Kering's environmental KPIs measure actual water use compared to MSI Higg standard values that measure water scarcity.
- For water use in processes at suppliers in Tier 3, Tier 2, and Tier 1, we have based the calculations on primary supplier data from our supply chain.
- In cases where we missed primary supplier data for specific suppliers, an average based on reporting suppliers in Nudie Jeans supply chain carrying out similar production processes within the same tier was used.

For further questions on methodology, please send us an email sustainability@nudiejeans.com