



NUDIE JEANS

Social Report 2021

nudiejeans.com

Start date membership: November 2009

Reporting period: January 2021 – December 2021

Nudie Jeans co

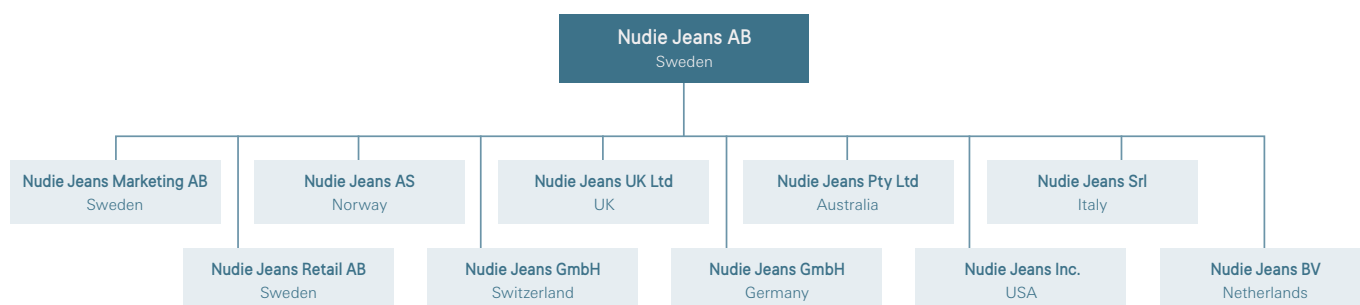


Table of contents

1. Organisational chart.....	3
2. Sourcing strategy	4
3.1 Sourcing strategy & pricing	5
3.2 Production cycle	7
3.3 Factory relations.....	8
3.4 Integration of monitoring activities and sourcing decisions	8
4. Coherent system for monitoring and remediation	9
4.1 Bomber/Italy.....	10
4.2 Rosa Pimenta/Portugal.....	10
4.3 Bordados Anjos/Portugal	10
4.4 Joag/Portugal.....	10
4.5 Class wash/Portugal.....	10
4.6 Teclotendencia/Portugal	10
4.7 Bordados Noel/Portugal	11
4.8 Negreicor/Portugal	11
4.9 Mergu/Turkey.....	11
4.10 Armstrong Knitting Mills unit I/India	11
4.11 Esvap Konfeksion/Turkey	11
4.12 Agrona Farms/Turkey	11
5. Complaints handling.....	11
6. Training and capacity building.....	13
6.1 Activities to inform staff members.....	13
6.2 Activities to inform agents	13
6.3 Activities to inform manufacturers and workers.....	13
7. Information management	14
8. Transparency & communication	14
9. Stakeholder engagement.....	16
10. Corporate Social Responsibility	18

1. Organisational chart

The organizational structure below shows the Nudie Jeans company group, consisting of eleven 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 2021

"In 2021, while the pandemic continued to affect us, we further incorporated sustainability into our core practices. The ISO 14001:2015 certification for the head office was one example of that, we also added more details to our already transparent production chain online, such as water and emission data and managed to start a recycling project in Tunisia with pre consumer waste and successfully expanded our living wage programs to more suppliers. This year has given us time to focus our internal processes and drafting long term strategies to take the company into the next phase."

//Joakim Levin CEO Nudie Jeans

In 2021, we initiated a total of 9 audits, one in Italy, one in Turkey, and seven in Portugal. The audits carried out in Turkey was conducted by Fair Wear Foundation's (FWF) audit team, and the audits in Portugal and Italy were performed by independent consultants. During the year, we also worked on following up the audit results and non-compliances from other reports we received as well as previous audits from the year before. According to the latest FWF Brand Performance check, which reported on 2020 activities, we monitored 98% of our production units.

The number of worker complaints was, despite the pandemic, low with one complaint from employees at one of the Turkish suppliers. The reports of these complaints are publicly available on the FWF website.

Although auditing is one of the processes that can improve conditions at the factory level, we also see the need for employee education and training in order to make sustainable improvements. Therefore, for several years, we have involved our suppliers and their employees in the popular FWF Workplace Education Program (WEP). 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.

In 2021, we managed to have two advanced training session on social dialogue in Turkey and violence and harassment prevention in India, as the other training plans had to be postponed due to Covid-19. Our engagement with suppliers continued but we also carried on with collaboration with other FWF brands and initiating cooperation with other brands regarding remediation work and improvement work at several of our main suppliers in Italy, Tunisia and Turkey. We are also collaborating with researchers analysing our sustainability work.

In 2021, we continued to support our suppliers through the COVID-19 pandemic, below is a list of actions in the supply chain.

- We had close dialogues with our suppliers and monitored developments in each production country.
- We paid manufacturers for finished goods, and for goods in production.
- We prepaid fabrics to selected suppliers.
- We made additional advance payments for salaries at selected suppliers as part of our living wage program.
- We financed covid vaccines for one of our suppliers and their employees.
- We provided flexible delivery dates.
- We reduced and reorganized orders, some of them to accommodate the capacity at the suppliers.

- We were flexible with production locations on suppliers' request, within our monitored supplier base.
- We continued to monitor developments in each country and acted responsibly toward all our stakeholders, including retailers, throughout the year.
- We provided informational videos for employees of suppliers in India and Turkey. We participated in social dialogues on numerous occasions during the year, with stakeholders from the community, third-party organizations, suppliers and NGOs in producing countries (FWF, Cividep, SAVE, Ethical Fashion Commitments, Fair Action and ETI, AGT, IDH among others).

Besides the continuous improvement in the supply chain, we intensified the transparency work and our support of the cotton farmers in Turkey through the Sag Salim program.

3. Sourcing strategy

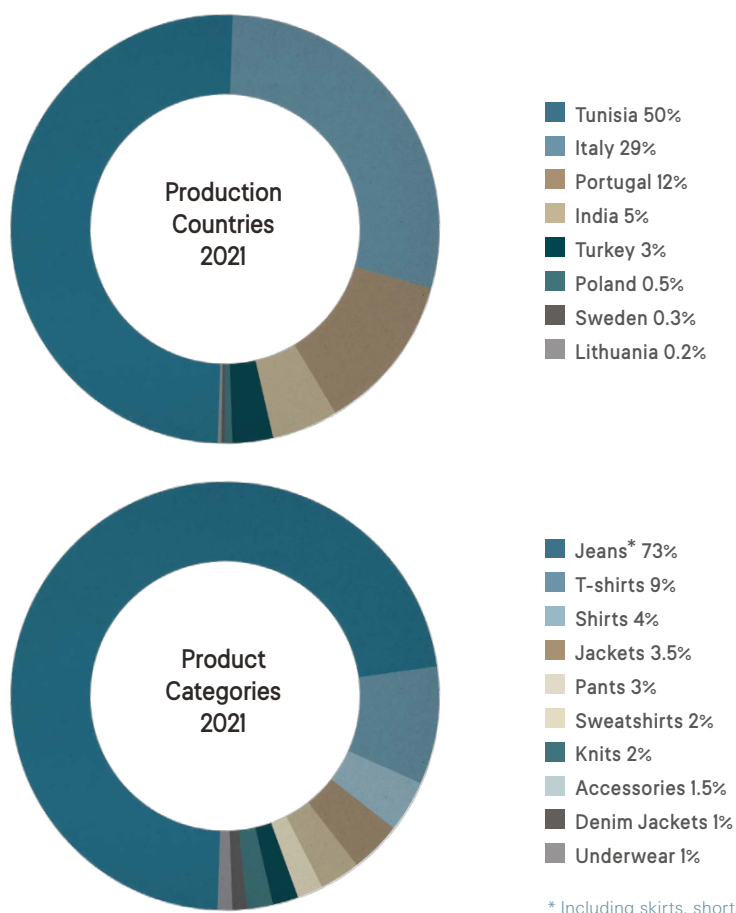
3.1. Sourcing strategy & pricing

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, Transparency policy and Chemical policy 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 2021, due to the pandemic we did not have the chance visit all of our suppliers. In normal cases, 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 2021, our production based in Europe reached 42%. During the year, the division of production per production country, based on total production value in 8 countries, is showed below:

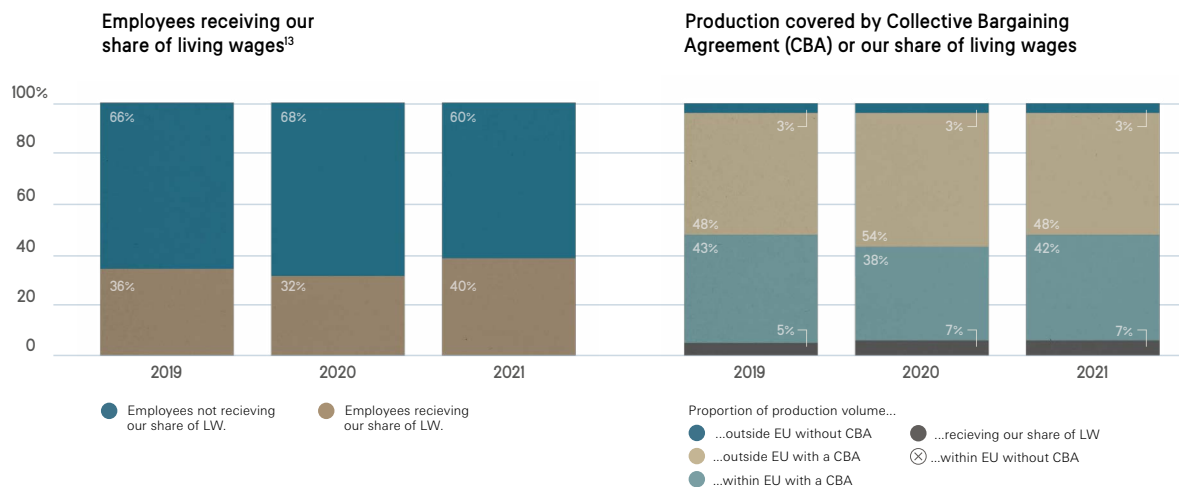


According to the latest Brand Performance check, 84% of our production volume are produced at suppliers where we have had a business relation for at least five years and 78% of our production volume comes from production locations where we buy at least 10% of the production capacity.

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.

Since 2013, we have been paying our share of living wages for our products at selected Indian suppliers, and during the last years just over 2,450 workers have received an additional amount from Nudie Jeans, as a step toward increasing wages at selected suppliers.



Over the past three years we can see an increase of the number of employees at our suppliers who benefit from our share of living wage payments from 32% to 40%, where the proportion of the production volume representing the employees receiving our share of living wages remains at 7%. Notable however is that the workers who are not part of our living wage program, are located within EU and/or have collective bargaining agreements and functional union representation in the factories.

In 2021, we continued the discussions on implementation of our share of living wages at our leather supplier in India, and our shirt supplier in Turkey and both suppliers were enthusiastic about it, and it was a great achievement to see that both suppliers have incorporated product style costing and developed a program for living wages from the Spring 2022 collections, produced end of 2021. At the living wage program at the Turkish supplier that we initiated in 2021, we are collaborating with three other brands, which considerably increased the monthly income for the employees of their employees.

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.

During 2021, we had four collections (Spring, Summer, Fall and Winter) where Spring and Fall are main collection and Summer, and Winter are smaller collection. We also had two capsule collections and in addition, running styles all year around, which are never out of stock items.

The core products with fabrics on stock were bought as reorders throughout the year, giving the suppliers a better planning

for the production. Overall, this strategic planning has been given us, our suppliers, and our retailers better possibilities to handle the daily operations during the pandemic.

3.3. Factory Relations

Under normal circumstances, 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 2021, we were able to make visits at most of main suppliers and some of the subcontractors has been visited by Nudie Jeans country representatives.

No new main suppliers were used during 2021. Throughout the year we held online meetings with our suppliers to follow up on the covid-19 situation as well as general updates regarding environmental and social sustainability as well as maintaining the relationship.

3.4. Integration of monitoring activities and sourcing decisions

During the year, sustainability, supply chain and product development department have regular and structured evaluations of suppliers with participants from different departments, 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 2021, 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 2022 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	Production country	Product Group	Process	Audit company	External Training	Training organization
Bomber	Italy	Jeans	Sewing	Most CSR		
Rosa Pimenta	Portugal	T-shirts	Sewing	Independent consultant		
Bordados Anjo	Portugal	T-shirts	Embroidery	Independent consultant		
Joag	Portugal	Jackets	Printing	Independent consultant		
Classwash	Portugal	Jackets	Laundry	Independent consultant		
Tecnotendencia	Portugal	Jackets	Sewing	Independent consultant		
Bordados Noel	Portugal	Jackets	Embroidery	Independent consultant		
Negreicor	Portugal	Jackets	Printing	Independent consultant		
Mergu	Turkey	Shirts	CMT	FWF	Social Dialogue training	FWF
Armstrong knitting mills, unit I	India	T-shirts	Sewing	Interek	Violence prevention training	FWF
Esvap	Turkey	Knitted items	CMT	BSCI		
Agrona	Turkey	Jeans	Cotton farms	USB		

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.

Many of the suppliers where audits were done, especially in Portugal has been slow to respond, it is due to covid restrictions in the factories, where relevant staff has not been available. There has also been a language barrier, where we were asked to translate the findings to Portuguese for them to be able to respond, which has postponed the replies as well. From Nudie Jeans side, we postponed our travels to Portugal due to covid restrictions in Q4 of 2021 where we plan to make the audit follow up on site.

4.1. Bomber/Italy

The audit in 2021 showed continued issues with production planning resulting in consequences for the employees. During the year, the supplier has also been affected with covid-19, and general H&S trainings for employees as well as first aid and fire drills have not been able to be carried out. Employees confirmed that all production for Nudie Jeans is made onsite and that no subcontractors are used.

4.2. Rosa Pimenta/Portugal

The subcontractor was used for one specific style, to mitigate the production capacity in 2021 as our main suppliers faced an increase of orders and had to place the sewing process at two sewing locations. Most of the points in the CAP were related to health and safety, for example no documented health and safety training was provided to workers, as well as fire safety procedures and fire fighting practices. The audit remediation is ongoing in 2022.

4.3. Bordados Anjos/Portugal

The findings from the audit in 2021 at this embroidery unit was related to health and safety issues, in particular lack of evacuation drills, first aid and general health and safety trainings. The monitoring of the improvements will be continued in 2022.

4.4. Joag/Portugal

The findings from the audit in 2021 at this printing unit was related to health and safety issues, in particular lack of evacuation drills, eyewash and formal grievance channels and no formal committees. It is a small unit where they are dependent on a external health and safety consultant to execute the trainings and due to covid 19, their availability has been low. The monitoring of the improvements will be continued in 2022.

4.5. Class wash/Portugal

The findings from the audit in 2021 at this washing house was related to health and safety issues, in particular lack of evacuation drills, second containers for chemicals, formal grievance channels and no formal committees. We have seen improvements with the elected committee member as well as plans for the trainings, which were not possible to schedule earlier due to covid 19 restrictions. The monitoring of the improvements will be continued in 2022.

4.6. Teclotendencia/Portugal

The audit at this sewing unit showed lack of formal training on first aid procedures or fire safety procedures and fire fighting practice, as well as health and safety training provided to workers. The monitoring of the improvements will be continued in 2022.

4.7. Bordados Noel /Portugal

The findings in the CAP for this embroidery unit was related to health and safety, for example that evacuation drills are not conducted, Noise assessment not conducted, or the Evacuation plan was not available. The supplier has started to make improvements but are postponed due to the availability of the service provider of the health and safety trainings. The monitoring of the improvements will be continued in 2022.

4.8. Negreicor/Portugal

The findings in the CAP for this printing unit was related to health and safety, for example that evacuation drills are not conducted, noise assessment not conducted, or the Evacuation plan was not available. The monitoring of the improvements will be continued in 2022.

4.9. Mergu/Turkey

The audit that took place in 2021 for this sewing supplier was shared among us and three other FWF members, and the factory responded in a timely manner to most of the points in the CAP, and we were able to close approx. 50% of the findings directly. Those points were related to safe and healthy workplace and living wages, while the remaining points were about firefighting equipment that should be sufficient and a core test for the building.

4.10. Armstrong Knitting Mills unit I /India

In 2021, another company initiated an audit at Armstrong knitting mills unit I, sewing unit, and we consider the audit report as a valuable information to verify the previous audit result at this supplier.

4.11. Esvap Konfeksion/Turkey

In 2021, another company initiated an audit at Esvap, unit for knitted items, and we consider the audit report as a valuable information to verify the previous audit result at this supplier.

4.12. Agrona Farms/Turkey

In 2021, our fabric supplier Bossa initiated a social audit at Agrona, the ginner and 5 selected cotton farms and we consider the audit reports as a valuable information to verify the social conditions at the farm level.

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 or meeting with other FWF brands 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.

We consider a high number of complaints to be a positive sign; it shows that workers understand their rights and have the courage to file a complaint.

The number of worker complaints was, despite the pandemic, low with one complaint from employees at one of the Turkish suppliers. The reports of these complaints are publicly available on the FWF website.

CASE 1 (ID 1155)

A worker reported that the company employs a few daily workers and this causes informal employment. According to the complainant, there are no other issues. The payments are done on time via bank channel, they are registered for social security.

The complaint related to the Labour Standards of Legally binding employment relationship.

The complaints handler investigated the complaints and concluded that it wasn't valid since the recent audit showed that there were no unregistered workers. The factory management has been transparent and no inconsistencies were found.

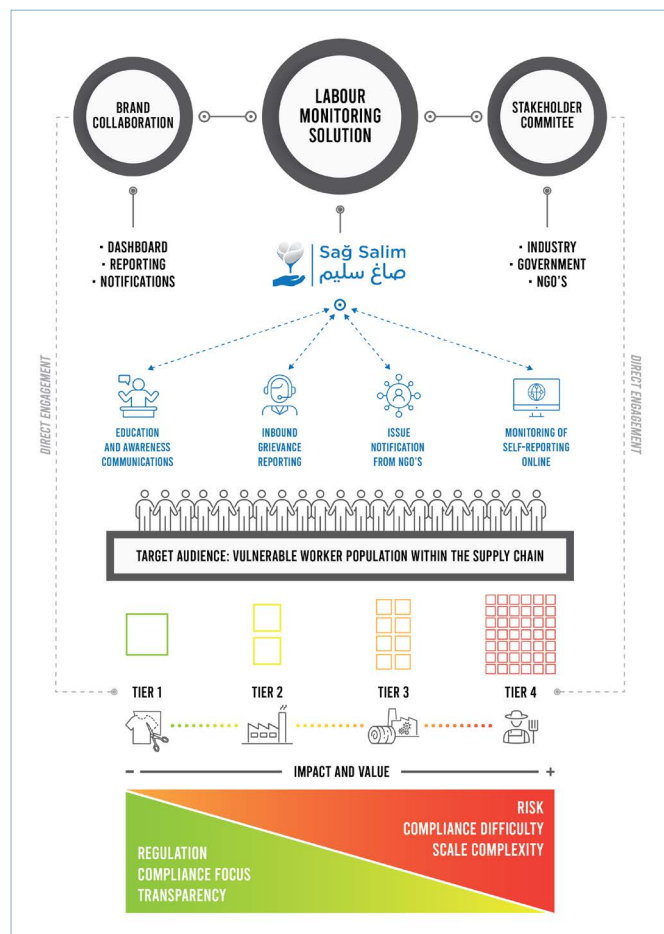
Sağ Salim

In addition to the FWF complaints handling, we continued to engaged in the Sağ Salim program in Turkey. The program is a due diligence program developed to support the most vulnerable workers in the garment industry's supply chain.

The program actively seeks out instances of deliberate exploitation, slavery, and unsafe working conditions and puts methods in place to resolve them. The areas targeted are, but not limited to, organic cotton farms in Izmir region in Turkey from which Nudie Jeans denim's cotton is sourced, but also aims to cover other tiers of the supply chain. The Sağ Salim program directly engages with workers to provide a persistent labor monitoring solution across multiple tiers in the supply chain and leverages a cross-sector stakeholder committee to investigate and remediate issues. Below is an illustration of the Sağ Salim Framework.

The activities around the Sağ Salim project have been ongoing in 2021, the reach after one year of the membership was 3,837,759 people, with engagement of 248,680 workers.

The key issues identified include wages, discrimination, water, living and working conditions, legal status, transportation, health, childcare, lack of grievance mechanism, and long hours. Highlights from the reports is the reach of the program combined with the impact of the



educational content we have been developing and distributing, which has generated an increase in engagement of 173% in the last six months in 2021. This has led to an increase in reporting and is also assessed as likely to have a positive impact in reducing the vulnerability of workers throughout the supply chain as they become more aware of the risks of exploitation.

6. Training and capacity building

6.1. Activities to inform staff members

We normally conduct 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. However, in 2021 these trainings and information webinar were held digitally.

In 2021, employees at the head office, the global sales offices and store staff have been continuously updated on progress and relevant information in meetings as well through our project management system Asana. A monthly sustainability newsletter is sent to all staff of Nudie Jeans as well as to all agents and staff in production countries. By educating the sales staff in the shops we have a great opportunity to spread the word of what we are doing directly to the customers.

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.

During the year, we have also reached out to other organizations in production countries. In 2021, we also participated in many online seminars and webinars regarding worker's situation in the specific production countries with different stakeholders in the industry, for example GIZ, Fairaction, Cividep, AGT, IDH, STITCH as we way to increase the social dialogue.

In the past years, one of our main Indian suppliers have enrolled workers and management in workplace 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 Violence and harassment prevention training will continue at other suppliers in India during 2022.

In practice, we supported suppliers to have relevant policies in place, to encourage more female line supervisors, to investigate the wage structure and have representative committee groups comprising both men and women of different ages, departments, and skill levels. Committee work is an important way to involve all workers and ensure their voices are heard and that all voices are equal, without discrimination. We see our program for raising wages toward a living wage as one way to reduce inequality, because it results in both men and women having a stable income on which it is possible to live.

The feedback from the WEP trainings over the years 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.

Since December 2021 Winningtemp is our engagement tool throughout the whole Nudie Jeans Group. With Winningtemp, all employees anonymously answer four questions each week. All questions are based on research in collaboration with the University of Gothenburg. The questions reference nine different categories: leadership, job satisfaction, meaningfulness, autonomy, work environment, participation, personal development, team spirit, and engagement. For head office, we added two new categories 2021, psychological safety and self-leadership.

During 2021 we initiated a pilot project at a supplier in India to test if we could work with a similar set up in a factory environment and the results will be evaluated in mid 2022.

7. Information management

In 2021, we have worked with collecting the workers info sheet and signed questionnaires in the Worldfavor digital system. Our renewed project around product transparency was a good starting point when communicating with suppliers on product locations throughout our supply chain.

In addition, we have our own staff as well as good communication with our main suppliers to identify the subcontractors in our supply chain.

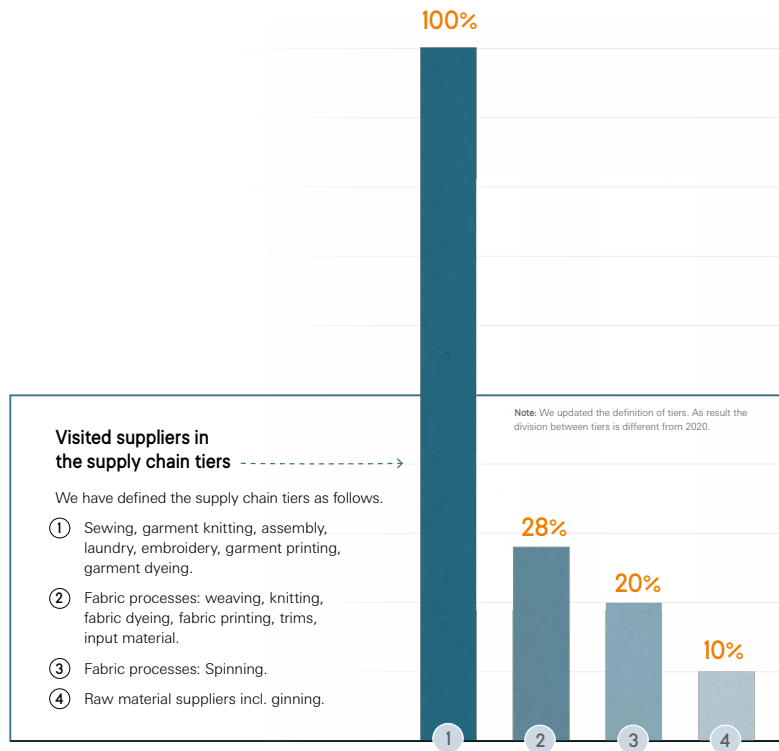
8. Transparency & communication

We have, for the second year, reported on our sustainability work in the Brand and Retail Module (BRM) of Higg. This module enables us to track, measure and share our sustainability work with value chain partners. From next year we will be able to share the result with the public, as the reporting will be going through a third-party verifying process. The reporting on our sustainability work through the BRM have worked as an inspiration to develop certain aspects of our sustainability work as well as shed lights on the part of this work that needs further developments.

We support the Transparency pledge, and a full list of our suppliers is available for download on our website which includes suppliers from the raw material stage to sewing of the garments. Presenting this amount of information is unique. At the time of writing, we have about 25 sewing and making suppliers, and 24 subcontractors for laundry, printing, and embroidery. In addition, we have about 55 suppliers involved in the fabric and material process, 15 trims suppliers and 20 raw material suppliers.

Important to us is to visit the supply chain partners that are producing our products to understand the conditions under which our products were made and to build relationships with our supply chain partners. As seen in the illustration we have visited 100% in Tier 1, 25% in Tier 2, 20% in Tier 3 and 10 % in Tier 4. In total, we have visited 45 % of our full supply chain Tier 1 – Tier 4.

In late 2021 we added all of the suppliers with which we have an established relationship and/or that we have visited to the Open Apparel Registry.



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 the visitor can click on the products for detailed information about the production premises. The Production Guide is updated four times annually according to the collection seasons presented in the Repair Shops. In the Production Guide, we publish audit procedures, materials, transportation, audit summaries and general supplier information. It also lists the raw material suppliers and links to their websites.

In 2021, we continued to take steps in our work for transparency by launching transparency at the product level. Since we initiated the new project in 2020 to develop and present transparent information at the product level on our website. The goal was to present both social and environmental information for every product, and so far, we have included audit summaries for the audited factories, certifications and supplier information for every step in the production chain. The main addition to the product card in 2021 was the Co2 emissions and water data per product,

In 2021, we continued the sustainability communication, and in particular the journal posts describing different sustainability activities. As Nudie Jeans has grown to become a global denim brand, students, researchers, and journalists from all over the world regularly ask us to share our insights and experiences from the textile industry. We believe that knowledge of the current situation and industrial history, from both internal and external perspectives, is crucial to understanding the challenges we face to find efficient solutions and lead the industry toward continuous improvements.

In 2021, we participated in over 120+ events, including interviews and public speeches, to share our knowledge with different networks, PhD and undergraduate students, researchers, and journalists. These interactions included more than 40 public speeches we held globally, including presentations and panel talks, at various online events with different target groups and purposes.

9. Stakeholder engagement

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 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 1.5 C of warming, as outlined by the United Nations Framework on Climate Change and the Paris Agreement.



→ sustainablefashionacademy.org/STICA

TEXTILE EXCHANGE

We have been members 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

SAĞ SALIM

We joined the program Sağ Salım during 2020, aiming to increase transparency in the part of the supply chain not known to most brands, the cotton farmers. The program was initiated by our main fabric supplier and another denim brand and the purpose is to create a grievance channel and capacity building program for cotton farmers, cotton pickers and agricultural workers in Turkey.



→ [Read more](#)

RISE

Since 2015, we have 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

AMNESTY INTERNATIONAL

We have collaborated with Amnesty Sweden almost since the beginning



of the brand. Some examples include the Human Rights T-shirt competition in 2007, and the Empowerment Challenge in 2014. A portion of the proceeds from our sales have been donated to Amnesty's work. We are currently supporting Amnesty's work with children's rights by donating EUR 5 for each pair of children's jeans we sell. In 2020, we raised EUR 4468 for Amnesty Sweden, in support of every child's right to a safe childhood and have since 2001 raised 5,3 million SEK in total to Amnesty's work.

→ amnesty.se

CHETNA COALITION

The Chetna Coalition is a network of brands, suppliers, and produc-



ers with a mutual interest in collaborating on organic cotton growing. Chetna Coalition's primary level of impact is economic sustainability, with a focus on the drivers of shared value. The top priority is to secure and improve the economic sustainability of the Farmer Producer Organization and the raw material production community that grows the cotton. In 2018, we visited cotton fields in Odisha, India to learn more about organic farming and how to support the local communities.

→ chetnaorganic.org.in

FUR FREE ALLIANCE

We signed the Retailer Commitment Against Fur agreement by the Fur Free Alliance in 2015. The



Fur Free Retailer Program is an international initiative to provide consumers with exact information about a retailer's fur policy, allowing them to make an informed choice when shopping. The program recognizes and supports retailers that have committed to a no-fur policy. Our animal welfare policy states which animal-based materials can and cannot be used by Nudie Jeans and is available on our website.

→ furfreealliance.com

FAIRTRADE

Fairtrade's approach enables farmers and workers to have more control over their lives and decide how to invest in their future. With a Fairtrade labelled



product, people can create change through their everyday actions. A product with the Fairtrade mark means producers and businesses have met internationally agreed standards which have been independently certified. Farmers and workers have a strong voice at every level of Fairtrade, from how they invest in and run their local organizations to having an equal say in Fairtrade's global decision-making. All our organic cotton used in production in India is also Fairtrade certified, assuring that the cotton farmers have received a fair payment for the cotton we purchase.

→ fairtrade.se

10. Corporate Social Responsibility

Below is some of the highlights of 2021 within the field of sustainability.

- **UNIDO recycling in Tunisia.**
- **Free Repairs** - In 2021 we repaired **42500** jeans.
- We produced 98,2% **Sustainable products** According to our Sustainable Material Tool we define a garment or accessory as sustainable when it contains at least of 70% sustainable fibers.
- When we use virgin cotton, we are proud to say that we only work with **certified organic cotton**.
- We were ranked as **FWF leaders** – for the 8th year in a row.
- We had **98 %** of our supply chain under monitoring.
- **Textile Exchange** - We were placed in the Leading category in the Textile Exchange Material Change Index.
- Nudie Jeans became **ISO 14001:2015 certified** to improve our environmental management system.
- We reached a new level of **Product transparency** – showing all tiers of the supply chain including CO2 emission and H2O use.
- We mapped all our **emissions and water data** from our full supply chain in accordance with the Greenhouse Gas Protocol for the third year in a row. We have also offset our business' full emissions through the UN Carbon Offset Platform.
- NPS score 2020 was **76.6**

In addition to the action carried out the supply chain due to the pandemic, we also implemented different actions to other stakeholders in relation to COVID-19:

OUR EMPLOYEES

- Even though the spread of COVID-19 continued during 2021 no employees at the head office have been on furlough. However, all employees who were able to, were encouraged to work from home.
- We launched the winning temp app, a system to measure the temperature on employee motivation and wellbeing at work.
- Guidelines to prevent the spread of COVID-19 for employees at the office including e.g. social distancing, cleaning routines and quarantine routines.

OWN RETAIL AND EMPLOYEES

- We experience temporary door closures in several markets.
- We connected with more consumers than ever before.
- We expanded our digital capabilities by moving available inventory to e-commerce.
- We increased our operational flexibility to act in the unknown.

RETAILERS

- We had close communication with our wholesale organization and distributors.
- We offered support and flexible deliveries of goods for suppliers who were in lockdown.

- We offered more generous payment terms and discounts to affected retailers.
- We have invested in our stock service to enable deliveries to retailers which did not place preorders due to lockdowns in 2020.