



BRAND PERFORMANCE CHECK

Nudie Jeans Co.

PUBLICATION DATE: JULY 2018

this report covers the evaluation period 01-01-2017 to 31-12-2017

ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases FWF member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

Nudie Jeans Co.

Evaluation Period: 01-01-2017 to 31-12-2017

| MEMBER COMPANY INFORMATION | |
|--|--|
| Headquarters: | Goteborg, Sweden |
| Member since: | 01-11-2009 |
| Product types: | Fashion |
| Production in countries where FWF is active: | India, Tunisia, Turkey |
| Production in other countries: | Italy, Lithuania, Poland, Portugal, Sweden |
| BASIC REQUIREMENTS | |
| Workplan and projected production location data for upcoming year have been submitted? | Yes |
| Actual production location data for evaluation period was submitted? | Yes |
| Membership fee has been paid? | Yes |
| SCORING OVERVIEW | |
| % of own production under monitoring | 99% |
| Benchmarking score | 90 |
| Category | Leader |

Summary:

Nudie Jeans has shown advanced results on performance indicators and has made exceptional progress. With a monitoring percentage of 99% and a benchmarking score of 90, the company remains in the 'Leader' category for the fifth year in a row.

Nudie Jeans takes care to monitor all their production locations, including all subcontractors. The company has strong integrated systems in place to do due diligence before placing orders in factories, and to support reasonable working hours.

Nudie Jeans pays out their share of the living wage in one of their Indian suppliers, and since 2017 started to include a second Indian supplier in this project. This makes them one of the front runners in the industry. Nudie Jeans is continuously trying to increase the scale of these endeavors, by trying to involve other buyers.

Their largest Tunisian supplier already pays out a living wage to most of its workers. A next step is to cooperate on raising the wages of the workers who do not earn a living wage yet. Nudie Jeans knows the living wage levels in the different Italian regions they source from. Further action would be to identify the gaps between wage levels at their Italian suppliers and the living wage benchmark and work towards the payment of a living wage.

Nudie Jeans is proactive on following up complaints, and where this involves suppliers shared with other FWF members, usually takes the lead. A next step would be to take more preventive action, for example by ensuring functioning HR, communication and grievance procedures at their suppliers.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

Good: It is FWF's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

Needs Improvement: Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

Suspended: Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

1. PURCHASING PRACTICES

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--------|--|--|-------|-----|-----|
| 1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity. | 60% | Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes. | Supplier information provided by member company. | 3 | 4 | 0 |

Comment: Nudie Jeans has 44 active suppliers, and sources in India, Italy, Lithuania, Poland, Portugal, Sweden, Tunisia and Turkey.

60% of its 2017 production volumes comes from suppliers where they buy at least 10% of the factories' production capacity.

The sourcing strategy is to optimize production and concentrate orders to a few suppliers with each supplier making one product. New suppliers are selected only when a new style of product group is introduced.

Leverage is also gained by being a premium brand that suppliers would like to have in their client portfolio.

Suppliers indicate they want to produce for Nudie Jeans despite the low quantities. That gives Nudie Jeans a strong position to effectively request improvements of working conditions.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--------|---|---|-------|-----|-----|
| 1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB. | 14% | FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts. | Production location information as provided to FWF. | 2 | 4 | 0 |

Comment: 14% of Nudie Jeans' production volume comes from production locations where it buys less than 2% of its total FOB.

Recommendation: FWF recommends the member to consolidate its supply base by limiting the number of suppliers in its 'tail end'. To achieve this, members should determine whether suppliers where they buy less than 2% of their FOB are of strategic relevance.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------|---|--|-------|-----|-----|
| 1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years. | 72% | Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions. | Supplier information provided by member company. | 3 | 4 | 0 |

Comment: Nudie Jeans maintains a long term relationship of over 5 years with suppliers that account for 72% of the company's production volume, and rarely adds new suppliers.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--------|--|---------------------------|-------|-----|-----|
| 1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed. | Yes | The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements. | Signed CoLPs are on file. | 2 | 2 | 0 |

Comment: Nudie Jeans added one Italian subcontractor in 2017 and could show the returned questionnaire for this production location.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|----------|---|---|-------|-----|-----|
| 1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders. | Advanced | Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers. | Documentation may include pre-audits, existing audits, other types of risk assessments. | 4 | 4 | 0 |

Comment: A formal process exists to evaluate conditions at suppliers before placing orders. New suppliers are always visited and receive a package with requirements on transparency, the Code of Labour Practices, in particular living wage and the company's sustainability work. The information package is discussed during the visit to get commitment from suppliers to be transparent and work on the common goals. The willingness of factory management to cooperate and be transparent is a crucial element in deciding to start a business relationship. A newly developed questionnaire needs to be returned that asks about potential subcontracting and earlier audit reports. Nudie Jeans always asks for the possibility to read existing audit reports, and checks during the first visit whether findings have been remediated (or which corrective actions have been implemented). Visiting staff also uses the basic health and safety checklist, and assesses general points for improvements and possible risks. The visits are normally together with the CSR manager, buyer and head of product development, jointly presenting the company's profile. Findings from this process are documented and shared with the factory as well as all relevant staff at Nudie Jeans.

Since 2017, the CSR department is involved in an even earlier stage in the buying process. After buyers and designers have had their first meeting to discuss a new product, CSR meets with buyers to discuss possible sourcing countries and production locations. In this way the CSR department can avert possible risks in an early stage. CSR has developed manuals for buying that show the different production countries and their scoring on different indexes, such as the Human Development Index and Democracy index. These different indexes lead to a total score that shows whether additional requirements need to be met before production can be placed in a certain country.

In 2017 Nudie Jeans started with one new subcontractor in Italy. The supplier has also been audited, and FWF low risk requirements were fulfilled.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--|--|---|-------|-----|-----|
| 1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner. | Yes, and leads to production decisions | A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking. | Documentation of systemic approach: rating systems, checklists, databases, etc. | 2 | 2 | 0 |

Comment: Nudie Jeans has a system to evaluate progress on willingness and improvements regarding social compliance for each production location. Each supplier is evaluated by product group; all staff working with that product group are involved in the evaluation. CSR performance is equally important next to production criteria, looking specifically at the willingness of suppliers to improve on social compliance. In case a supplier falls behind in certain areas, a plan is established to improve. Buyers are included in communication with suppliers about social remediation so that suppliers know it is supported by buyer/production staff (and not CSR only).

Because of several problems, including intransparency and unauthorized subcontracting, Nudie Jeans ended their relationship with a Romanian supplier. They were informed from the beginning that if transparency would not improve, this could lead to termination of the business relationship. The phase out period lasted 1,5 year. By ending that relationship, Nudie Jeans could redirect more orders to their Tunisian suppliers, and in this way reward them with their progress on CoLP implementation.

Given that one product type is mostly made at each supplier, the stock order fluctuates with changes in sales, which means it is difficult to reward with extra orders. The best suppliers have a good description in the production guide, which is public, and thus represents a communication tool for factories.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------------------------------------|---|---|-------|-----|-----|
| 1.6 The member company's production planning systems support reasonable working hours. | Strong, integrated systems in place. | Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations. | Documentation of robust planning systems. | 4 | 4 | 0 |

Comment: Nudie Jeans' production planning has four collections a year, which enables better forecasting of quantities. Estimated numbers are shared in advance and final orders are placed 4 months before delivery. Nudie Jeans received feedback from suppliers that this facilitates their production planning. Design and styles do not change after sales samples are done.

Generally Nudie Jeans' order placement system includes several instruments to ease pressure on factories. Nudie Jeans blocks fabric to facilitate good planning with the suppliers. In 2017 there were some changes within the design and product department, which led to the later placement of some orders. Nudie Jeans accepted that this meant a later delivery. Nudie Jeans has also increased sales through their own retail channels, which gives them more control regarding production planning.

Nudie Jeans is aware of the production capacity of all factories and knows which production lines are used for their production and how much time it costs to complete their order. Denim production is all year round and stock orders are used to spread to low periods of the factory. Nearly 50% of the collection are carry-over styles, which means that orders are placed throughout the year, and in this way peaks in low and high season can be smoothed out.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|------------------|--|--|-------|-----|-----|
| 1.7 Degree to which member company mitigates root causes of excessive overtime. | Advanced efforts | Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime. | Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc. | 6 | 6 | 0 |

Comment: From the three factories audited by FWF in 2017, one audit showed inconsistent time records at a Turkish supplier and another audit showed that weekly overtime limits were reached at a Tunisian supplier. At the largest Tunisian supplier of Nudie Jeans, the 2017 audit concluded there is no excessive overtime. A monitoring visit at a Indian production location showed reduced overtime in all their units, due to investments in machinery and better production flow.

Since the audit showed overtime at the Tunisian supplier, the factory started to work in three shifts instead of two, which is expected to significantly reduce overtime. Nudie Jeans' local team also visits the factory regularly to keep an eye on working hours.

The audit report of the Turkish supplier was only shared early 2018, and therefore follow up should be assessed in the brand performance check of 2019. Nudie Jeans plans to discuss the inconsistent time records in person during a visit.

Nudie Jeans also works on living wages as the company believes that paying decent salaries can also reduce overtime; because workers would be less willing to work overtime if they were paid a living wage. The case of the Tunisian supplier with no excessive overtime would illustrate this argument, as most workers in this factory earn at least the living wage benchmark.

For suppliers where Nudie Jeans only represents a small part of production, discussions about overtime can be more difficult. However, the company does address the subject when starting a relationship with a new supplier and tries not to contribute to overtime in peak seasons by getting insight into the production capacity of each supplier.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|----------------------|--|--|-------|-----|-----|
| 1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries. | Country-level policy | The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments. | Formal systems to calculate labour costs on per-product or country/city level. | 2 | 4 | 0 |

Comment: Nudie Jeans' policy states that their prices and efforts should allow for payment of living wages. Normally suppliers of Nudie Jeans give price estimations, and the company expects that these are set in a way that minimum wage is covered. This is later checked by auditing; and all all factories of Nudie Jeans have been audited and wage levels matched or exceeded legal minimum wage in all cases. are audited. Nudie Jeans' price strategy has a margin target but most importantly a retail price target. If needed the margin will be squeezed but the retail price will not be increased. Depending on garments' costs, the company can adjust its margins on different products to even-up the overall margin target.

On country level Nudie Jeans is aware of the minimum wages and how this generally relates to their pricing policy. In Portugal and Italy, together making up for 52% part of the total FOB, Nudie Jeans knows the wage levels of workers.

Although the cost break down includes sewing, cutting, washing costs, the exact share that goes to workers per style is not known for all the production locations. Nudie Jeans discussed this with their suppliers but most of them do not want to share this information.

Two Indian suppliers and one Tunisian supplier have shared their detailed wage costing sheets, and Nudie Jeans can see that their pricing allows for at least minimum wage to be paid.

Recommendation: Nudie Jeans is recommended to continue to ask detailed cost break downs from their suppliers, or start cost estimations to calculate back whether the price covers at least the minimum wage. Nudie Jeans could start to include the Turkish suppliers in these endeavors.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|-----------------------------------|--|---|-------|-----|-----|
| 1.9 Member company actively responds if suppliers fail to pay legal minimum wages. | No minimum wage problems reported | If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. | Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved. | 2 | 2 | -2 |

Comment: No problems were reported.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------|---|---|-------|-----|-----|
| 1.10 Evidence of late payments to suppliers by member company. | No | Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems. | Based on a complaint or audit report; review of production location and member company financial documents. | 0 | 0 | -1 |

Comment: No evidence of late payments found in any of the FWF audits conducted in 2017.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|-------------------|---|--|-------|-----|-----|
| 1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages. | Advanced approach | Sustained progress towards living wages requires adjustments to member companies' policies. | Documentation of policy assessments and/or concrete progress towards living wages. | 8 | 8 | 0 |

Comment: Nudie Jeans has been paying their share of the living wage at two units of a Indian supplier since 2016. The wages are discussed in the worker committee and workers are making suggestions how to structure the pay out of the living wage factor. Since Nudie Jeans is only a small buyer in the factory, it is important to involve other buyers to commit to paying their share of the living wage as well. Nudie Jeans got a non FWF buyer to commit to paying out their share of living wage as well. Since late 2017, the spinning mill of the factory is also included in the project. The first pay out is scheduled for 2018.

In another Indian factory, Nudie Jeans started to pay out the living wage factor for the first time in spring 2017. The payment hand out was observed by Nudie Jeans quality controll staff. Nudie Jeans is a small buyer in the factory and tried to get other buyers to pay their share of the living wage as well. Unfortunately there is no interest, but the factory is matching the amount paid by Nudie Jeans. In fall 2017 several workers left the factory, and it is unclear whether this is related to discontent of high skilled workers that all workers - no matter what skill level - received the same living wage factor. Currently, the topic of the living wage factor and how to structure the pay out is discussed by the worker committee. This should lead to more satisfaction among all workers about how the living wage factor is paid out.

In their largest Tunisian factory, good for 29% of the total FOB placed by Nudie Jeans, most workers earn above the living wage benchmark of 500 Dinar. Nudie Jeans has started discussions with the factory how they can work together to raise the wage levels of the workers earning below this benchmark and will involve worker representatives.

58% of Nudie Jeans' production comes from factories in low risk countries where wages are negotiated through a collective bargaining agreement.

An important stumble block for reaching an annual living wage level, is that Italian factories cannot produce year round. In 2017 Nudie Jeans consolidated it's Italian supply chain, in this way giving the remaining Italian factories more production, enabling them to produce year round. This should lead to higher annual wages for the workers and can be considered progress towards a living wage.

With extending the living wage project to the spinning mill of the first Indian factory, and to a second Indian factory, and the high wage levels at their largest Tunisian supplier, Nudie Jeans has demonstrated sustained progress towards living wages.

Recommendation: FWF recommends Nudie Jeans to include the Tunisian supplier in their living wage project, aiming for a living wage for all employees.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------|--|--|-------|-----|-----|
| 1.12 Percentage of production volume from factories owned by the member company (bonus indicator). | None | Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score. | Supplier information provided by member company. | N/A | 2 | 0 |

PURCHASING PRACTICES

Possible Points: 44

Earned Points: 38

2. MONITORING AND REMEDIATION

| BASIC MEASUREMENTS | RESULT | COMMENTS |
|---|--------|--|
| % of own production under standard monitoring (excluding low-risk countries) | 41% | |
| % of production volume where monitoring requirements for low-risk countries are fulfilled | 58% | FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries. |
| Meets monitoring requirements for tail-end production locations. | Yes | |
| Total of own production under monitoring | 99% | Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% Measured as a percentage of turnover. |

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------|--|--|-------|-----|-----|
| 2.1 Specific staff person is designated to follow up on problems identified by monitoring system | Yes | Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis. | Manuals, emails, etc., demonstrating who the designated staff person is. | 2 | 2 | -2 |

Comment: In 2017, the monitoring program and activities were coordinated through the CSR manager and the Manager of the Product Development Department.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--|---|-----------------------------------|-------|-----|-----|
| 2.2 Quality of own auditing system meets FWF standards. | Member makes use of FWF audits and/or external audits only | In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system. | Information on audit methodology. | N/A | 0 | -1 |

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------|---|--|-------|-----|-----|
| 2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner. | Yes | 2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings. | Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc. | 2 | 2 | -1 |

Comment: Nudie Jeans shares audits reports, discusses CAP and improvements deadlines with its production locations in a timely manner. Worker representation has not been involved.

Recommendation: Before a audit takes place, Nudie Jeans is recommended to check with the supplier whether worker representatives are active. In this way, they can be involved from the start of an audit and be invited for the audit opening and exit meeting.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--------------|---|--|-------|-----|-----|
| 2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems. | Intermediate | FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions. | CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues. | 6 | 8 | -2 |

Comment: A 2017 FWF audit in the largest Tunisian supplier of Nudie Jeans showed many improvements since the last audit in 2014. More structural problems as an unclear bonus system and short term contracts are still apparent. Communication on these issues has been challenging because of the language barrier. The factory employed a new HR, who will be tasked with explaining the bonus system to the workers. Regarding the short term contracts, a prevalent problem in Tunisian factories, factory management pointed out that only a small number new hires receive a one month contract. They informed Nudie Jeans that they will gradually give tenure to all workers. The fire safety issues that were identified in the 2017 audit have been remediated.

The audit at the other Tunisian supplier showed some occupational health and safety findings, problems with workers not being able to obtain tenure, and uncertainty whether the assiduity bonus was in line with the CBA. Nudie Jeans could show that the health and safety findings have been remediated. After discussing the problem with obtaining tenure, the factory informed Nudie Jeans that they will transfer more workers to permanent contracts. There is no documentation yet to demonstrate this.

The audit report of the Turkish supplier was only shared with Nudie Jeans in 2018.

Recommendation: Nudie Jeans could consider organizing a joint training for their Tunisian suppliers on a proper attendance/productivity bonus system and the use of short term contracts, to ensure more commitment from the suppliers to remediate these more structural issues.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------|--|---|-------|-----|-----|
| 2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year. | 88% | Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices. | Member companies should document all production location visits with at least the date and name of the visitor. | 4 | 4 | 0 |

Comment: Production locations are often visited, including subcontractors and spinning mills. Discussing labour standards and monitoring working conditions is part of the visits which are made either by headquarters staff, local staff or consultants.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|---|---|--|-------|-----|-----|
| 2.6 Existing audit reports from other sources are collected. | No existing reports/all audits by FWF or FWF member company | Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work. | Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments. | N/A | 3 | 0 |

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--|---|---|-------|-----|-----|
| 2.7 Compliance with FWF risk policies. | Average score depending on the number of applicable policies and results | Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF. | Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents. | 5 | 6 | 0 |
| Compliance with FWF enhanced monitoring programme Bangladesh | Policies are not relevant to the company's supply chain | | | N/A | 6 | -2 |
| Compliance with FWF Myanmar policy | Policies are not relevant to the company's supply chain | | | N/A | 6 | -2 |
| Compliance with FWF guidance on abrasive blasting | Advanced | | | 6 | 6 | -2 |
| Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees | Advanced | | | 6 | 6 | -2 |
| Other risks specific to the member's supply chain are addressed by its monitoring system | Intermediate | | | 3 | 6 | -2 |

Comment: Sandblasting is forbidden for suppliers of Nudie Jeans. This policy is included in the company's Code of Conduct that factories have to comply with. Manual work is used to create the "used look" of jeans. Nudie Jeans feels that this manual scraping is just as dangerous, and therefore checks health and safety in these workshops. The local staff in Italy, visits the production locations in Italy and Tunisia and is thus able to check that there is no sandblasting and protective gear is used.

Nudie Jeans has had conversations about the employment of Syrian refugees with their two Turkish suppliers. The suppliers do not employ Syrians, though they are not actively avoiding it. There are no indications for employment of Syrian refugees in the FWF audits. The suppliers do not have a policy in place for registration of Syrian employees.

Nudie Jeans shared FWF guidance on the employment of Syrian refugees with the suppliers. The company invited them to the suppliers seminar but has not asked whether they indeed attended. Nudie Jeans actively follows the political developments in Turkey, visits the suppliers regularly and checks upon subcontracting via the FWF audits.

In 2017 Nudie Jeans was informed by their two Turkish factories that in 2018 they would need to use a laundry subcontractor. Therefore Nudie Jeans has visited the subcontractor in 2017, and used the health and safety checklist and their own questionnaire to do a first check. In 2018 they will include this new subcontractor in their monitoring system. Nudie Jeans visits the Turkish suppliers yearly, and their local production agent visits them regularly to check upon production and possible subcontracting.

Nudie Jeans is well aware of the country specific risks in India, relating to violence against women, employing young workers and sumangali(-like) schemes, and shows advanced steps to address these. All Indian suppliers have been enrolled in the FWF WEP programme addressing violence against women. They have also participated in the supervisory skill-building programme to improve relationships between supervisors and workers and reduce economic discrimination of women. The Indian factories have also installed anti-harrassment committees, and the company receives reports about their meetings. In September 2017, one committee received a training by a local NGO. Nudie Jeans continues to collaborate with a local NGO to address issues regarding freedom of movement for (young) migrant workers. While workers in one of the Indian suppliers are still confined to dormitories, they now have access to phones and regular excursions. The other factory only selects spinning mills that are not employing young women. The gap between the legal minimum wage and living wage is addressed with the living wage projects in which Nudie Jeans pays out their share of the living wage.

A risk specific for Tunisia is the use of short term contracts, which leads to precarious employment. Nudie Jeans has started conversations with their Tunisian suppliers about this issue. They have been informed by the factories that they will gradually get all workers on permanent contracts, but this can be followed up more actively.

Recommendation: FWF encourages Nudie Jeans to continue the dialogue with their Indian supplier to ensure that all workers are able to leave the factory dormitory at all times if they wish to do so.

Nudie Jeans could encourage their Turkish suppliers that if a position opens up they can consider employing a Syrian refugee worker. They can discuss with their suppliers to cooperate with United Work, a NGO that collects the CVs of Syrian refugees in Turkey. Nudie Jeans could discuss what support they can offer support when Syrian workers are employed. This support could consist of covering the costs of work permits and supporting HR where needed. Please note that the Syrian refugee guidance will be updated later this year.

Regarding recommended follow up on country specific risks in Tunisia, please see indicator 2.4.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------------------|---|--|-------|-----|-----|
| 2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers. | Active cooperation | Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers. | Shared CAPs, evidence of cooperation with other customers. | 2 | 2 | -1 |

Comment: Nudie Jeans cooperates with other clients that are using the same suppliers. During 2017 they have done so with several FWF members as well as other companies. Nudie Jeans usually takes the lead.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--|---|---|-------|-----|-----|
| 2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled. | Member undertakes additional activities to monitor suppliers | Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. | Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires. | 2 | 2 | 0 |

Comment: Besides fulfilling the low risk requirements, the company organised audits (using the FWF audit methodology) for five production locations in Italy and Portugal.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------|--|--|-------|-----|-----|
| 2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold. | 90%+ | FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold. | Production location information as provided to FWF and recent Audit Reports. | 3 | 3 | 0 |

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|---------------------------|--|-----------------------------|-------|-----|-----|
| 2.11 Questionnaire is sent and information is collected from external brands resold by the member company. | No external brands resold | FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods. | Questionnaires are on file. | N/A | 2 | 0 |

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|---------------------------|--|---|-------|-----|-----|
| 2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume). | No external brands resold | FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods. | External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members. | N/A | 3 | 0 |

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--------------|---|---|-------|-----|-----|
| 2.13 Questionnaire is sent and information is collected from licensees. | No licensees | FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place. | Questionnaires are on file. Contracts with licensees. | N/A | 1 | 0 |

MONITORING AND REMEDIATION

Possible Points: 29

Earned Points: 26

Additional comments on Monitoring and Remediation:

For the Tunisian subcontractor all tail end requirements were met. The production location was visited in 2017, the FWF CoLP was discussed and the company prepared them for a FWF audit for 2018. Nudie Jeans completed their own audit assessment manual, that includes a first check on health and safety findings. The worker information sheet is posted in French and Arabic.

3. COMPLAINTS HANDLING

| BASIC MEASUREMENTS | RESULT | COMMENTS |
|--|--------|--|
| Number of worker complaints received since last check | 9 | At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system. |
| Number of worker complaints in process of being resolved | 4 | |
| Number of worker complaints resolved since last check | 5 | |

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------|--|--|-------|-----|-----|
| 3.1 A specific employee has been designated to address worker complaints | Yes | Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis. | Manuals, emails, etc., demonstrating who the designated staff person is. | 1 | 1 | -1 |

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--------|---|--|-------|-----|-----|
| 3.2 System is in place to check that the Worker Information Sheet is posted in factories. | Yes | The Worker Information Sheet is a key first step in alerting workers to their rights. | Photos by company staff, audit reports, checklists from production location visits, etc. | 2 | 2 | 0 |

Comment: During visits, Nudie Jeans always checks whether the Code of Labour Practices is posted. Buyers send pictures to the CSR staff after each visit.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--------|--|--|-------|-----|-----|
| 3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline. | 75% | The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator. | Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme. | 4 | 4 | 0 |

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------|--|--|-------|-----|-----|
| 3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure | Yes | Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues. | Documentation that member company has completed all required steps in the complaints handling process. | 3 | 6 | -2 |

Comment: Nudie Jeans received one complained in Tunisia about overtime in the counting department. the complaint was resolved by transferring the worker to a different department.

Nudie Jeans received several complaints from three Indian suppliers.

Three different complaints were received from former workers of one supplier concerning legally binding employment relationships and illegal termination. A similar complaint from the same supplier had been received the year before and was still under remediation. Nudie Jeans met the supplier in December 2016 together with FWF and tried solving the cases, but the supplier eventually refused further investigation and mediation by FWF. Since spring 2017, Nudie Jeans has not placed orders at the supplier for product-related reasons. No further orders are scheduled at this point. Nudie Jeans and FWF are in the process of determining how to best solve the open complaints considering the current situation.

Three complaints were received from a second Indian supplier. These complaints mostly concerned individual grievances of workers related to bonus and social security payments and wage calculations. All complaints were resolved swiftly.

Two more complaints were received from a third Indian supplier. One complaint has been resolved, the other is under remediation. Both cases concerned termination procedures and payments. One of the complainants also addressed abusive behaviour. The accused staff has since left the factory. Nudie Jeans also organised a FWF training in September 2017 to prevent and address (gender-based) violence.

Recommendation: Nudie Jeans could look into the working hours of the counting department of their Tunisian supplier and where needed discuss with the supplier how to reduce working hours there.

For India, FWF recommends Nudie Jeans to ensure all their suppliers have strong HR, communication and grievance systems in place. This includes workers being aware of their legal rights as well as wage and benefit calculations. In factories with a large portion of migrant workers, relevant policies should be available in the local language and at least one HR person should be able to speak the local language of migrant workers to address questions and grievances. In addition a termination/dismissal policy and procedure in line with national/state law should be in place.

FWF also recommends Nudie Jeans to ensure that all pending complaints where FWF has concluded that legal payments have not been made yet are settled. FWF will support Nudie Jeans in determining the best course of action.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------------------|--|--|-------|-----|-----|
| 3.5 Cooperation with other customers in addressing worker complaints at shared suppliers | Active cooperation | Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier. | Documentation of joint efforts, e.g. emails, sharing of complaint data, etc. | 2 | 2 | 0 |

Comment: Nudie Jeans usually takes the lead when discussing complaints at one of their Indian suppliers together with other FWF members.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 12

4. TRAINING AND CAPACITY BUILDING

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--------|--|--|-------|-----|-----|
| 4.1 All staff at member company are made aware of FWF membership. | Yes | Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed. | Emails, trainings, presentation, newsletters, etc. | 1 | 1 | -1 |

Comment: Nudie Jeans organises trainings on FWF membership for all global sales staff, which are included in kick-off collections meetings. In store training for retail staff takes place at least once a year, to make sure salespeople can convey Nudie Jeans' values to the end consumers. Monthly Sustainability newsletters, with results of audits or suppliers visits updates, are sent to the whole organisation including shops. Sustainability is part of the core business of Nudie Jeans and thus all staff integrates the related requirements in their daily work.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------|--|---|-------|-----|-----|
| 4.2 All staff in direct contact with suppliers are informed of FWF requirements. | Yes | Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations. | FWF Seminars or equivalent trainings provided; presentations, curricula, etc. | 2 | 2 | -1 |

Comment: Nudie Jeans production staff have regular meetings with purchasing, product development and CSR staff to discuss status of improvement at supplier level. Nudie Jeans' CSR staff regularly attends FWF events and webinars.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|-----------------------------|--|---|-------|-----|-----|
| 4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices. | Yes + actively support COLP | Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP. | Correspondence with agents, trainings for agents, FWF audit findings. | 2 | 2 | 0 |

Comment: In Italy, Tunisia, Portugal, Turkey and India, Nudie Jeans agents working for Quality Control and production planning actively support the implementation of FWF's Code of Labour Practices. These agents are responsible for explaining the questionnaire in local language and especially in Tunisia are involved in CAP follow up.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--------|---|--|-------|-----|-----|
| 4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume) | 86% | Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements. | Documentation of relevant trainings; participation in Workplace Education Programme. | 6 | 6 | 0 |

Comment: In 2017, Nudie Jeans enrolled two suppliers (from India and Tunisia) in the FWF Workplace Education Programme. The same Indian supplier was trained by a local NGO on labour rights and occupational health and safety. Another Indian supplier which was trained by FWF in 2015 received training by Fairtrade in 2017.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|---------------------------------|--|---|-------|-----|-----|
| 4.5 Production location participation in trainings (where WEP is not offered; by production volume) | All production is in WEP areas. | In areas where the Workplace Education Programme is not yet offered, member companies may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator. | Curricula, other documentation of training content, participation and outcomes. | N/A | 4 | 0 |

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 11

5. INFORMATION MANAGEMENT

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|----------|---|--|-------|-----|-----|
| 5.1 Level of effort to identify all production locations | Advanced | Any improvements to supply chains require member companies to first know all of their production locations. | Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities. | 6 | 6 | -2 |

Comment: A supplier transparency agreement is signed between the supplier and Nudie Jeans disclosing all factory information, number of workers and subcontractor information. In Italy Nudie Jeans audits subcontractors used for specific prints (jeans pocket prints) as well as fabric manufacturing. In Portugal and India, production agents keep track of any new suppliers or subcontractors. They are present daily at the production sites when the orders for Nudie Jeans are being made. Nudie Jeans is aware of the exact capacity of suppliers and their production lines, and therefore the local staff can check if all production for Nudie Jeans takes place at the specific locations. The company has invested a lot of time the past two years to map all subcontractors in their supply chain. The subcontractors are all included into their monitoring system, and audited.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--------|--|---|-------|-----|-----|
| 5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations. | Yes | CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements. | Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information. | 1 | 1 | -1 |

Comment: Nudie Jeans implements coordinated efforts between the CSR manager and the manager of the Product Development Department. Production staff are informed about the outcome of audits continuously and are briefed by the CSR manager before visiting suppliers; they receive a list of questions to check on during the visit. Buyers and product managers also sometimes observe audits.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

6. TRANSPARENCY

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|---|---|--|-------|-----|-----|
| 6.1 Degree of member company compliance with FWF Communications Policy. | Minimum communications requirements are met AND no significant problems found | FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers. | FWF membership is communicated on member's website; other communications in line with FWF communications policy. | 2 | 2 | -3 |

Comment: Nudie Jeans communicates about FWF through the company website. Moreover, a booklet comes with every pair of Nudie Jeans with a section about FWF. The representative of the customer service department now dedicates 20% of her time to the CSR department and also attended part of the performance check.

All sales assistants receive CSR training. FWF membership and the leader status of Nudie Jeans is an integral part of the communication of Nudie Jeans.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|---|--|---|--|-------|-----|-----|
| 6.2 Member company engages in advanced reporting activities | Production locations are disclosed to the public | Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry. | Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List. | 2 | 2 | 0 |

Comment: Nudie Jeans publishes its production locations with information, including subcontractors and audit summaries, in their production guide on their website. Most factories are satisfied about the fact that the information is public and they have to sign an agreement so Nudie Jeans can release their information. When receiving questions from consumers about sustainability, the customer service departments actively guides consumers to the production guide and the latest performance check.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--|---|--|-------|-----|-----|
| 6.3 Social Report is submitted to FWF and is published on member company's website | Complete and accurate report published on member's website | The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy. | Social report that is in line with FWF's communication policy. | 2 | 2 | -1 |

TRANSPARENCY

Possible Points: 6

Earned Points: 6

7. EVALUATION

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------|---|--|-------|-----|-----|
| 7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management | Yes | An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company. | Meeting minutes, verbal reporting, Powerpoints, etc. | 2 | 2 | 0 |

Comment: CSR priorities are set in cooperation with the production department and CSR manager. The CEO receives social compliance and FWF related updates every month. Since late 2017, CSR is part of the management group. When writing the social report Nudie Jeans also evaluates FWF membership progress.

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------|---|---|-------|-----|-----|
| 7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company. | 100% | In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach. | Member company should show documentation related to the specific requirements made in the previous Brand Performance Check. | 4 | 4 | -2 |

Comment: One requirement was included in the previous brand performance check; that all requirements for all low risk locations need to be fulfilled. Nudie Jeans could demonstrate that all requirements were fulfilled for all production locations in low risk, with the exception of some suppliers with whom the business relationship was ended before spring 2017.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

Nudie Jeans would welcome FWF to facilitate more supplier learning (between more advanced and less advanced suppliers). The company would very much appreciate trainings in Italy and /or Portugal on CoLP implementation, health and safety, and risks regarding subcontracting.

The company feels that the performance check can be much stricter, and is now too focused on intent instead of effect. It is not entirely clear to them what needs to be done to be considered a leader. They would welcome clearer and stricter criteria for the leadership category, in this way raising the bar to become leader. This can be done for instance by requiring an increasing benchmarking score after the second and third performance check, for Leader status, just as this is required for the Good and Needs Improvement categories.

Nudie Jeans would welcome more transparency, and thinks this would enable FWF members to collaborate more easily.

Regarding communication, it would help Nudie Jeans if FWF develops boiler plates for customer communication, very briefly explaining what FWF is and what membership means. The brands page on the FWF website should visually distinguish which brands are leaders.

Nudie Jeans often runs into problems with planning audits in Turkey; it takes a long time to schedule audits and responses have been very slow. Generally it takes too long before audit reports are received and clarifying questions are answered.

Nudie Jeans would like to have a clear overview per supplier of the received complaints and audits in the database.

SCORING OVERVIEW

| CATEGORY | EARNED | POSSIBLE |
|--------------------------------|--------|----------|
| Purchasing Practices | 38 | 44 |
| Monitoring and Remediation | 26 | 29 |
| Complaints Handling | 12 | 15 |
| Training and Capacity Building | 11 | 11 |
| Information Management | 7 | 7 |
| Transparency | 6 | 6 |
| Evaluation | 6 | 6 |
| Totals: | 106 | 118 |

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

90

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

14-06-2018

Conducted by:

Niki Janssen, Lisa Suess

Interviews with:

Sandya Lang CSR manager

Eliina Brinkberg, CSR

Malte Ramberg, Financial manager

Anne , Communications

Joel Stenberg, Manager- product development department

Joakim Levin, CEO