



NUDIE JEANS
SOCIAL REPORT 2023

NUDIEJEANS.COM

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Nudie JEANS co

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1. Organizational chart

The organizational structure is shown in Figure 1. It shows the Nudie Jeans AB company group, consisting of eleven entities where Nudie Jeans marketing is the purchasing party, and all transactions to produce our products are through this entity.

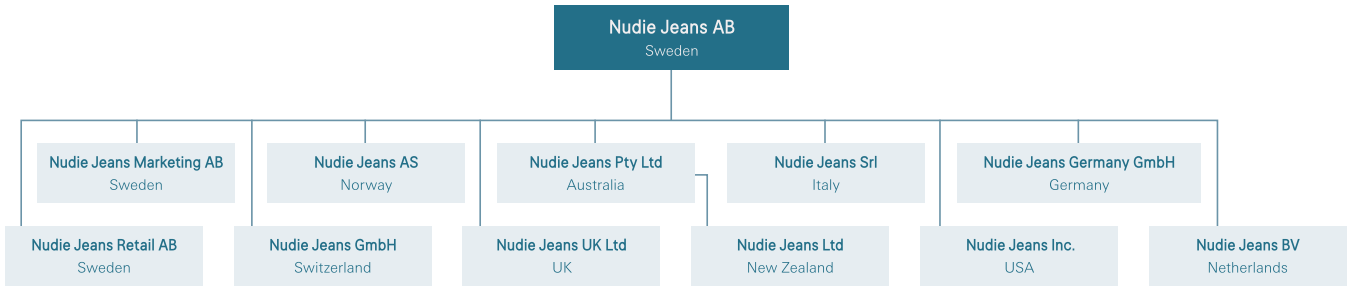


Figure 1. The organizational structure of Nudie Jeans company group 2023.

2. Summary: 2023 goals & achievements

In 2023, Nudie Jeans changed its Human Rights Due Diligence Data Management System to increase our level of proper due diligence. So far, Country and Supplier Risk assessments are carried out in the system whilst our Sourcing and Product risk assessment are handled outside the system. Thanks to the new system, we have developed time-bound plans for each supplier as well as have the remediation and monitoring procedure up to date at all times.

We initiated a total of 4 audits, one in Portugal, three in India. The audits carried out in India were conducted by Fair Wear Foundation's (FWF) audit team, and the audit in Portugal were performed by an independent consultant following the FWF methodology. During the year, we also worked on following up on the audit results and non-compliance from other reports we received as well as previous audits from the year before.

In 2023, we are proud to have enrolled a transformative training focusing on Soft Skills for Female Supervisors in India. This training was developed by Good Business Lab but was specially designed with the chosen supplier: Sustainable Crafted Clothing where the vision is to increase the number of female supervisors. The training was supported by another Fair Wear member.

Moreover, we developed Labour Minute Value and Product Style Costing tools for European Countries. It was tested on one Italian supplier. We also invited our main suppliers to evaluate the relationship with Nudie Jeans from 5 perspectives: General Business, Purchasing Practices, Sustainability Practices, Supply Chain Practices and Financial Practices. Our engagement with suppliers continued as well as carried on with collaboration with other FWF brands and initiated cooperation regarding remediation work and improvement work at the majority of our main suppliers. We have also been collaborating with researchers analysing our sustainability work.

In 2023, we continued to support our suppliers, below is a list of actions in the supply chain:

- We had close dialogues with suppliers and monitored developments in each production country.
- We prepaid fabrics to selected suppliers.
- We continued to support the living wage payments at selected suppliers.
- We provided flexible delivery dates.
- In dialogue, with selected suppliers, we planned the capacity of production orders.
- 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 and ETI, among others).

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

3. Sourcing strategy

3.1 Human rights due diligence

The Responsible Business Conduct Policy describes Nudie Jeans’ commitment to reducing negative environmental and social impacts as much as technically, economically, and practically possible within the scope of our business. The policy aims to reaffirm our commitment to conscientious and responsible business conduct in full respect of the key principles introduced in our full policy portfolio. The RBC Policy is acknowledged and signed by the CEO and Chair of the Board. The Chief Sustainability Officer is responsible for guiding the approach of due diligence at Nudie Jeans. The implementation is executed by the Climate and Environmental Manager and Human Rights and Social Impact Specialist. In 2023, further efforts were made to make sure that we work with a risk-based approach and perform due diligence to our activities. One main achievement was to incorporate our Human Rights Due Diligence in a new data management system that supports the creation of risks assessments and actions plans for all Tier 1 suppliers. This facilitates the process of identifying and following up risks. In the long run, the system will track progress over time. Moreover, the risk assessment was even more elaborated on gender risks during 2023. We also developed a product risk assessment to easier detect human rights risks per product group.

Due diligence is performed to actively identify, prevent, mitigate and remediate the negative impact our business practices may have on the environment and human rights and labour rights at country and supplier level.

Risk assessments on the textile sector level has identified salient risks in the upstream supply chain (production). We adhere to our internal Sourcing Strategy to prevent sourcing in countries where high-risk are identified. The Sourcing Strategy considers democratic, corruption, environmental, human rights global indexes. The Sourcing Strategy also describes Nudie Jeans onboarding and exit procedure. In 2023, we added 1 supplier and exited 1 at Tier 1 level.

We continuously conduct and follow up on risk assessments based on visits, human rights reports and audits. We invest in trainings and education to mitigate and minimise risks that are discovered on country, supplier or product level. The highest identified per scope risks are:

Scope	Identified Human Rights Risks
Product processes Tier 1–4	Health and Safety Subcontracting Homeworkers Low transparency Farmers and cotton workers
Suppliers Tier 1–4	Living Wages Safe and Healthy Working Conditions Legally Binding employment
Sourcing Countries	Living Wages Employment is freely chosen. No discrimination Freedom of association
Business & Sourcing Model	Low Corruption Index Working conditions upstream supply chain Low leverage at large suppliers

For 2023, the risks that has been prioritised to follow up has been audit findings. Fair Wear Foundation provides a system to monitor grievances and follow up on corrective action plans. The number of open-non compliances are tracked over the year.

For labor rights we adhere to Fair Wear Foundation Code of Labour Practices where risks are coupled to severity and likelihood. Fair Wear Foundations system is based on the OECD Guidelines for Responsible Supply Chains. Lack of transparency is an additional risk that suppliers are followed up on and complies to when signing our Transparency Policy. Guidelines for actions in response to discovery of severe risks are outlined in our Internal Crisis Management Policy. Nudie Jeans has since its start worked towards transparency in the supply chain through long-term business relations. The brand has therefore already established policies concerning the commitments to environmental and human rights. Over the years, a lot of environmental and social data has been gathered and mapped, which has indirectly constituted a continuous due diligence process. 2023 has been the year when the framework provided by the OECD Due Diligence Process has guided us in structuring the collected data to be standardized by the industry. Figure 2 shows the framework Fair wear foundation has adapted from the OECD Due Diligence Process.

Nudie Jeans have actively worked towards implementing programs targeting to prevent and mitigate risks such as living wages and female supervisor training in collaboration with other brands. Nudie Jeans has also initiated monitoring and data collection in the Tiers furthest away, as it is part of the supply chain with higher risks. More initiatives can be read throughout this report.

Through Fair Wear Foundations verification audits and previous Brand Performance Checks, we can validate and track. The progress is presented in our Sustainability report yearly. Nudie Jeans is also involved in several benchmarking indicators such as the Ethical Fashion report and The FWF Brand Performance check.

Due to Nudie Jeans' commitment to Transparency, public reporting is well integrated with our businesses. In our yearly Sustainability report, we report and follow up on identified risks, such as right to collective bargaining and freedom of association and tracking wages at the suppliers. We also disclose our supplier base to the Open Apparel Registry. In addition, public speeches has been held with regards to Nudie Jeans Sustainability work.

3.2 Sourcing Strategy and 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. To assure this, we developed our sourcing strategy, where all suppliers must:

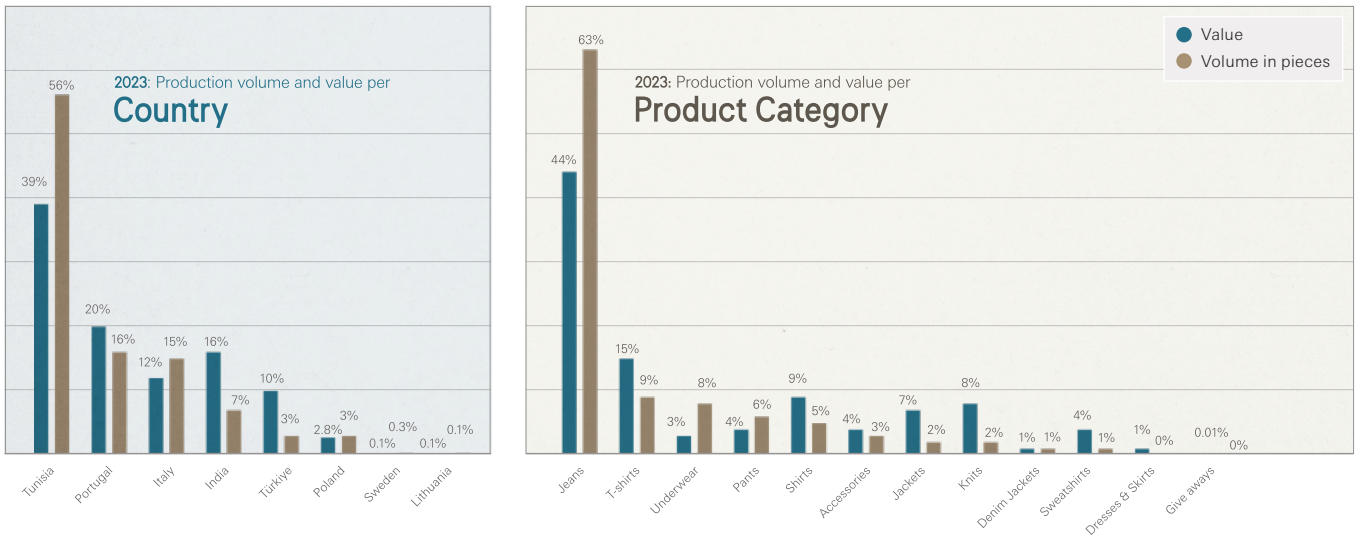
- Sign the Nudie Jeans Code of conduct, Transparency policy, and Chemical policy before production starts (if a direct supplier).
- Have documented high social, ethical, and environmental ambitions.
- Have vertical manufacturing or a limited number of subcontractors.
- Be transparent regarding all units in their production chain and open to auditing as well as be visible on our product card.

- 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 the FWF Workers Information sheet to be posted and allow access for the audit team.

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 to the factory. The Transparency Policy include Fair Wear Foundation requirements. 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 a supplier assessment manual that we use to evaluate all new possible collaborations.

In 2023, our production based in Europe reached 35%. The division per production country based on the total production volume in 8 countries, is shown in Figures 3 and 4. In addition to the production volume, value is also displayed per country.

Figures 3 and 4. Production volume and value per country and production volume and value per product category, 2023.



3.3 Organisation of the Sourcing Department

The roles included in the sourcing decisions are the Chief Sustainability Officer, Head of Product development and Production with operational support of the Product Development and Sustainability Team. Included in the product development and production team are quality controllers in Portugal, Italy, Tunisia, India and Türkiye.

3.4 Nudie Jeans purchasing practices

Nudie Jeans strive to have long-term relations and a continuous dialogue with all suppliers. The Nudie Jeans purchase practices include 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 of our buyers to consider in the discussion with suppliers. For the last 10 years, we have been developing our living wage program, now paying our share of living wages for our products at selected Indian and Turkish suppliers, and during the last years, around 3538 workers have received an additional amount from Nudie Jeans, as a step toward increasing wages at selected suppliers. See the shares in Figure 5.

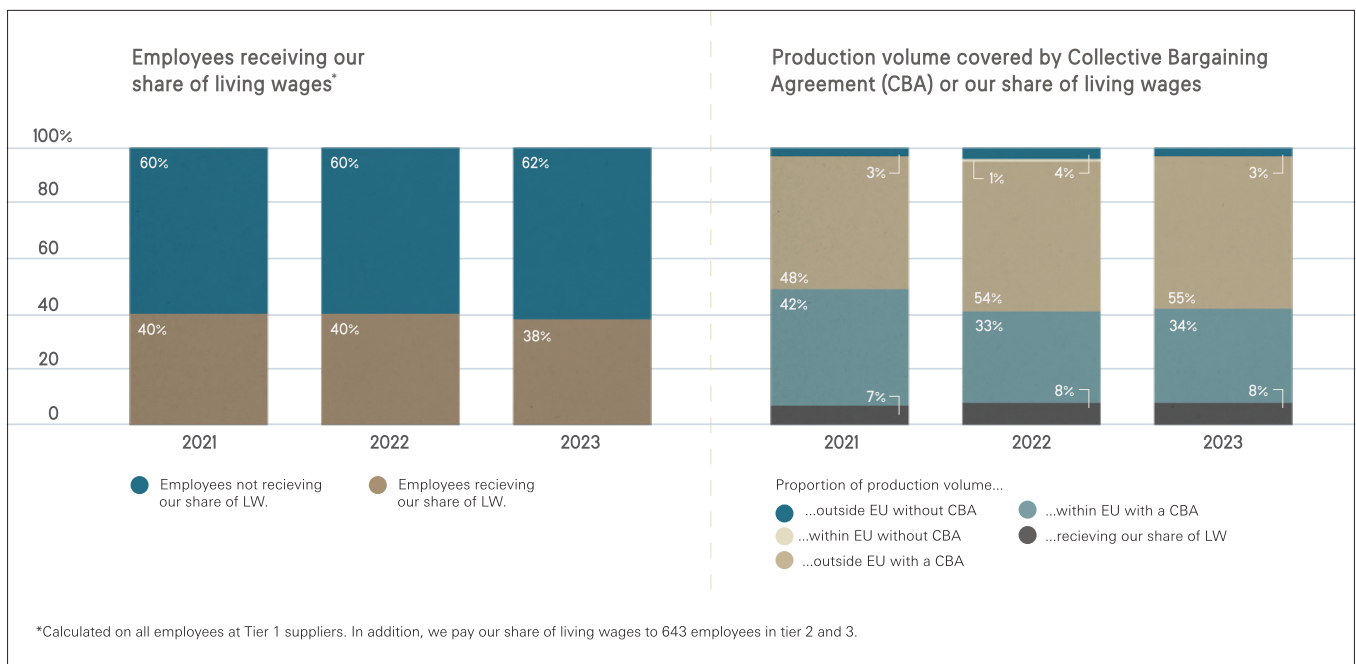


Figure 5. Employees receiving our share of living wages and share of production covered by Collective Bargaining Agreements/Our share of living wages over time.

Over the past three years, a decrease in the number of employees at the suppliers who benefit from our share of living wage payments from 40% to 38%. The decrease is due to a decrease of workers at the suppliers. The proportion of the production volume representing the employees receiving our share of living wages has increased from 7% to 8%. Notable however is that the workers who are not part of our living wage program, are located within the EU and/or have collective bargaining agreements and functional union representation in the factories. See the shares in Figure 5. In 2023, we implemented a plan to pay our share of living wages at our new leather supplier in India. We revived prod-

uct style costings from one new supplier and labour minute values from three. We developed labour minute tools and product style costing for European contexts and were able to achieve one more labour minute value from our Italian supplier. 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. We have also initiated dialogue for living wages at our largest supplier in Tunisia, by applying transparent costing for different styles and a survey that will be the base for a site-specific living wage benchmark.

3.5 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, production is less time-pressed, which decreases the risk of short deadlines and overtime work. We also have an open dialogue with the suppliers regarding their peak and low seasons and we try to place orders for our carry over styles during the whole year to balance the suppliers workload. We continuously ask our suppliers when they need to have the orders from us for each specific delivery period. Fabric forecast for denim fabric based on estimated quantity are shared with the suppliers in good time to make sure the production lead time can be kept. For garments with longer lead times for example outerwear and knitwear and for our suppliers in India with long transport lead time we pre-estimate the quantity and send the orders approximately one month earlier than other orders. During 2023, we refined our design and production planning followed Nudie Jeans new Collection strategy which includes 6 drops a year. A drop constitutes a small collection of new styles, that is meant to complement Nudie Jeans permanent collection.

3.6 Supplier relations

Nudie Jeans or our local representatives always visit the suppliers before deciding on 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 views. If we look for a new supplier, we need to know that the supplier shares our responsibility vision, and concern for the environment. We ask for the possibility to read existing audit reports, and we check during the first visit what has been implemented in the findings. All staff visiting suppliers on Nudie Jeans' behalf uses the Nudie Jeans supplier assessment manual and check general points for improvements and possible risks. The visits are normally done together with the Chief Sustainability Officer and/or the Head of product development. In 2023, we were able to make visits to most of the main suppliers and their subcontractors have been visited by Nudie Jean's country representatives. One new main supplier were introduced in 2023.

3.7 Integration of monitoring activities and sourcing decisions

During the year, the sustainability, supply chain, finance and product development department have regular and structured evaluations of suppliers with participants from different departments, where we discuss how they perform. The human rights and social impact specialist is responsible for bringing up critical issues related to working conditions or health and safety risks that might affect labour conditions in relation to production. When Nudie Jeans places 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 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. The decision is more due to technical issues and the choice of fabrics connected to a certain supplier. Our ambition is to cooperate and work with other clients using the same suppliers as we do. In 2023, 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, and updates on CAPs and encouraged them to join our living wage efforts. We plan to continue this cooperation in 2024 and expand it to other factories where we see a need for this.

In 2023, Nudie Jeans invited its main tier 1 suppliers to participate in an Evaluation Survey. The survey assesses the business relationship to Nudie Jeans across five key categories: General collaboration, purchasing practices, sustainability practices, finance practices, and supply chain practices. Each category includes a set of questions that the supplier rates to express their perception of Nudie Jeans’ business practices during 2023. The result is compiled based on the ratings and is seen as an indication of overall satisfaction. The categories consist of different numbers of questions and therefore have different total scores. The response rate was 88% (15/17) and even though anonymity was an option, only one used it. The rating of the questions could be complemented with elaborate answers and suggestions for improvement.

Two examples:

“When it comes to new fits, sometimes time of development is tight before SMS”
 – **Purchasing Practices**

“Our employees are very proud to be associated with Nudie and as a management executive, it’s very pleasing to see the smiles on the faces of our tailors when they sew Nudie garments. From sourcing to cutting to embroidery to production to the packing team, every one of them actively participates without any push from the senior team. That’s the best indicator of good buying practices and collaboration from the brand”
 – **General Business**

The results are used to review and develop our business practices and for suppliers to anonymously express opinions.

Category	Number of questions	Scale	Total score	Rating
General Business	3	0–10	444 / 450	99%
Purchasing practices	10	0–10	1,344 / 1,500	90%
Sustainability practices	5	0–10	666 / 750	95%
Financial practices	1	0–10	138 / 150	92%
Supply chain practices	7	0–10	976 / 1050	96%

4. Coherent system for monitoring and remediation

When we plan for coming audits, we make an evaluation based on the status of the supplier; when the latest audit has been done, the status of improvement work, and the status of complaints. We are working with the goal of re-auditing suppliers each 2–3 years if the follow-up of 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. Table 1 shows conducted audits and training during 2023.

Audits and trainings that took place in our supply chain in 2023						
Supplier	Production country	Product group	Process	Audit company	External training	Training Organization
Sustainable Crafted Clothing	India	Shirts	Stitching	Fair Wear Foundation	Female Supervisor Training	Good Business Lab Foundation
Armstrong knitting mills, unit I	India	T-shirts	Stitching	Fair Wear Foundation		
Armstrong knitting mills, unit II	India	T-shirts	Stitching	Fair Wear Foundation		
Alternative Fashion	Italy	Jeans	Press and packing	Independent consultant		
Famadex	Portugal	Sweaters, T-shirts	Stitching	Independent consultant		

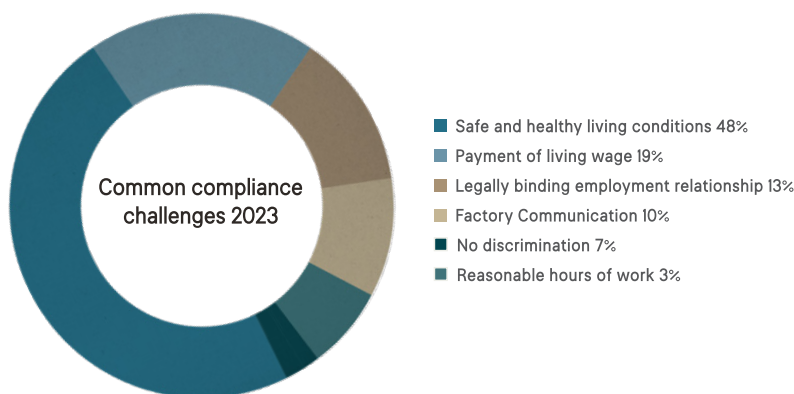
Table 1. Suppliers who have been audited and/or received training.

During audits, a corrective action plan (CAP) is written within a time frame agreed upon between the auditor and the factory management. Relevant Nudie Jeans staff is informed about the outcome of the audit and the CAP. The CAP plan gives us a detailed overview of the current situation and pinpoints the most important areas for improvement which also helps us prioritize our follow-up work.

The follow-up of the CAP is coordinated by the Nudie Jeans Human Rights and Social Impact Specialist. The first step will be done through email communication in which the supplier updates Nudie Jeans on the progress. In the 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 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.

Summarized non-compliance findings from 2022 and 2023 audits are explained below. The categories are from the Fair Wear Foundations audit method. Specific findings and follow ups are described below.



1. Safe and healthy living conditions

As per national laws, facilities are expected to regularly update fire and electrical systems, which sometimes are not made in time. There are findings of workers not using suitable PPE or having adjusted stitching machines, such as removing the eye shield. We support a strong health and occupational health system and a trained responsible person in every facility.

2. Payment of a living wage

The most common finding in this category is that workers are paid below the living wage, estimated by local stakeholders. The other common topic within this category is that overtime and/or social benefits can be paid out in cash. The payment of living wages influences direct root causes of labour rights and poverty.

3. Legally binding employment relationship

Findings of suppliers using temporary contracts can raise stress levels for employees. There has also been non-compliance with contracts not correctly specifying the terms and conditions of employment such as expected tasks performed.

4.1 Famadex / Portugal

Famadex is a small female driven facility with 8 workers in total, all females. Their operation contains sewing and are defined as a subcontractor to Gabritex. Nudie Jeans has had a business relation since 2010 and we visit them yearly. The audit conducted in January 2023 only had one finding: No health and safety consultation to workers had been documented. A consultation was provided after the audit in February 2023. It was verified through documentation and during our visit in April 2023.

4.2 Sustainable Crafted Clothing / India

Sustainably Crafted Clothing is a large facility placed in Krishnagiri, Tamil Nadu, India. There are currently 700 workers. Nudie Jeans has had a business relation with them since their start in 2021. Their operation contains cutting, sewing, embroidery, press and packing. Sustainably Crafted Clothing is supplier that has a clear vision for holistic sustainability. The audit had 7 findings which all was remediated within suggested timeframe. It was verified through documentation but also during our visit in September 2023 and consultation with their workers committees. One finding was about factory communication and for the management to raise awareness with regards to policies, knowledge about worker representatives and the worker information sheet with complaint handlers' number. Remediation was to have all policies in the local languages. A prevention and mitigation action were to provide a female supervisor training to empower self-leadership and to take part of the information that is well functioning and well displayed on the facility floor and canteen.

4.3 Armstrong Unit 1 / India

Armstrong Knitting Mills Unit 1 is a facility in the vertical setup of the Indian supplier Armstrong Knitting Mills. The facility is focused on cutting and sewing especially basic garment, for Nudie Jeans it's the underwear and basic t-shirts. There are around 1750 workers. Armstrong provides a Fairtrade and organic certified fully transparent supply chain and Nudie Jeans have been working with them since 2011. There were 7 findings that has all been remediated with 5 of them being connected to Health and Safety. At the time of the audit there were blocked aisles and exits as well as workers not provided with antifatigue mats. All findings have been remediated within reasonable timeframes and was verified through documentation and during our visit in September 2023.

4.4 Armstrong Unit 2 / India

Armstrong Knitting Mills Unit 2 is a facility in the vertical setup of the Indian supplier Armstrong Knitting Mills. The facility is focused on cutting and sewing, for Nudie Jeans the product produced are t-shirts. At unit 2, there are around 750 workers. Armstrong provides a Fairtrade and organic certified fully transparent supply chain and Nudie Jeans have been working with them since 2011. There were 5 findings that has all been remediated with 3 of them being connected to Health and Safety. At the time of the audit. There were some workers not using the needle and eye guards on the sewing machine as well as workers not provided with antifatigue mats. All findings have been remediated within reasonable timeframes and was verified through documentation and during our visit in September 2023.

4.5 Alternative Fashion / Italy

Alternative Fashion is a unit in Italy executing press and packaging for Nudie Jeans. It's a subcontractor and part of the C&S supply chain. Nudie Jeans has worked with them since 2017 and they are around 20 workers. In the audit there were 4 findings with two connected to Health and Safety. Only 1 finding has been remediated so far and that was to fill the incomplete first aid kit. This have so far been remediated through pictures and documentation.

4.6 Time-bound plans

Time bound action plans have been set up per production facility. The resources used for developing the action plans are both actions generated from the risk assessments but also suppliers' visions in how we as a brand can contribute to social impact. Some actions are also connected to Nudie Jeans internal sustainability goals concerning transparency and living wages.

Supplier Country	Number of Suppliers	Improvements and prevention steps	Timeline
India	4	Focus for two suppliers are female supervisors, for the other two focus are onboarding trainings	31-12-2024
Tunisia	4	Focus for one supplier are themes such as working contracts and product style costings. For the others focus is on social dialogue	31-12-2024
Turkiye	4	Focus for one supplier is to gather product style costings and the other health and safety	31-12-2024
Italy	5	Focus for one supplier are product style costings and the other will be corrective action plan remediations	31-12-2024
Portugal	10	Complete Gender Equality Indicators	
Poland	1	Monitor risks generated from risk assessment	
Lituhania	1	Monitor risks generated from risk assessment	
Sweden	1	Complete Gender Equality Indicators	

5. Complaints procedure

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 training. This is how the employees learn about the FWF complaints system, as well as through the WEP training focusing on workers' rights.

When receiving a complaint, either an internal meeting with or without 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 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 complaints to be a positive sign; it shows that workers understand their rights and dare to file a complaint. The reports of the complaint are publicly available on the FWF website. In 2023, we did not receive any complaints but will continue raising awareness and increasing social dialogue.

5.1 Sağ Salim

In addition to the FWF complaints handling, we continued to be engaged in the Sağ Salim program in Türkiye, mainly focusing on workers in Tier 4. 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, but not limited to, organic cotton farms in the Izmir region in Türkiye 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. Activities and communication around the Sağ Salim project reached 6,733,968 people in 2023 with engagement from 369,465 after three years of membership. This resulted in a rise of 45% in reach and 28% in engagement since last year.

The key issues identified include wages, discrimination, water, living and working conditions, legal status, transportation, health, childcare, lack of grievance mechanisms, and long hours.

Highlights from the reports include the reach of the program and the impact of the educational content we have been developing and distributing. 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 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 Repair Shops. In 2023, 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. 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 incorporated with social topics, which includes information on audits in production countries, articles, and other work related to production countries. Nudie Jeans has established long-term relations with agents in Portugal, India, Türkiye and our production quality controllers in Italy, and Tunisia. The agents and quality controllers are well-updated on the Code of Labour practices and involved in the continued communication on follow-ups and the remediation we do with our suppliers.

6.3 Activities to inform manufacturers and workers

All suppliers must post the FWF Workers Information Sheet at all production sites including subcontractors. This is checked when we visit the suppliers. The sheets must be posted in all relevant languages and many locations if the factory is spread over a large area.

In the past years, one of our main Indian suppliers has 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 training with a local NGO.

Female Supervisor Training at Sustainable Crafted Clothing

Sustainable Crafted Clothing (SCC) is a production unit in Krishnagiri, Tamil Nadu, India, and has since 2020 made shirts and blouses with traceable organic and fairtrade cotton.

SCC values ethical and fair production. This is evident in how the company is set up, from the construction of the building to the hiring of the employees and the activities they participate in.

In 2023, Nudie Jeans supported the unit in specifically one of their goals: providing training in new skillsets for interested employees to become production supervisors and managers. Most of the participants included in the programme are female employees, living in the neighbouring area.

The specific training course completed in 2023, which Nudie Jeans contributed to, focused on developing soft skills needed for leadership. The program was rolled out in collaboration by Good Business Lab, SCC and another Fair Wear Foundation member. As this is a cornerstone for a long-term goal, it is positive that all 16 of the participants finalized the course.



In practice, we supported suppliers to have relevant policies in place, to encourage more female line supervisors, to investigate the wage structure, and to 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 training over the years has been very positive. Workers were happy to attend this training and provided feedback that they had a better understanding of the FWF Code of Labour Practice.

7. Information management

During 2023, we worked with collecting the workers' info sheets 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 staff as well as good communication with our main suppliers to identify the subcontractors in our supply chain.

8. Transparency & communication

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 the sewing of the garments. Presenting this amount of information is unique.

It is important to us to visit the suppliers, to understand the conditions in which our products are made and to build relationships. As seen in Figure 6, we have visited 97% of Tier 1, 42% of Tier 2, 24% of Tier 3, 12% of Tier 4. In total, we have visited 49% of the supply chain. In 2023 we were able to visit all but a few suppliers, for example, embroidery and printing suppliers in Portugal as well as our suppliers in Poland.

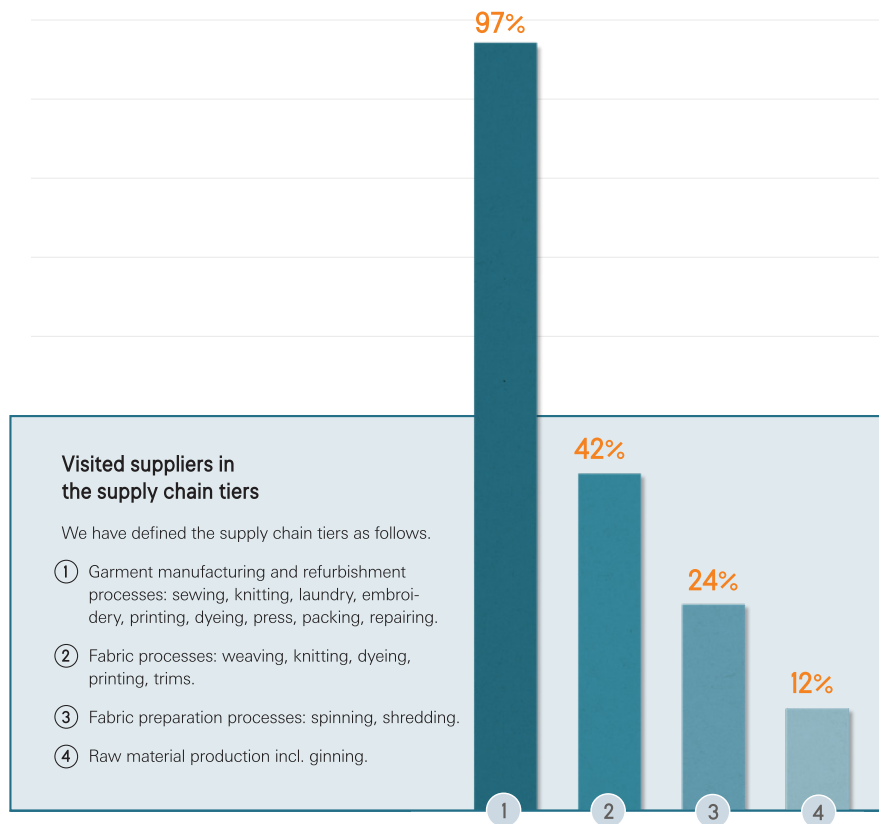


Figure 6. Percentage of Tier 1-4 suppliers visited during 2023.

In 2023, we continued to add our suppliers which whom we have an established relationship and/or that have visited the Open Supply Hub.

We put significant effort into keeping the supply chain as consolidated as possible. For consumers to see how everything is connected we have continued with our product transparency cards. Both services work as a website tool where the consumer can get detailed information about the production premises connected to each product and the upstream process. We publish audit summaries, materials, transportation, CO2 emissions and water data, general supplier information, and certifications.

In 2023, 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 2023, we participated in over 60+ events, including interviews and public speeches, to share our knowledge with different networks, Ph.D. and undergraduate students, researchers, and journalists. These interactions included more than 25+ 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.

STICA

We have been part of the Swedish Textile Initiative for Climate Action (STICA) since 2019. The purpose of STICA is to support the textile industry and their stakeholders to reduce greenhouse gas emissions in line with the 1,5° C warming pathway. The support and knowledge-sharing within the network have played an important role in the development of our climate work. To tackle climate change, a transition must happen on an industry level and the network creates a forum for joint efforts and the possibility to influence the EU and Nordic policy arena.

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 impacts.

textileexchange.com

Sag Salim

We joined the program Sag Salim during 202, 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 Türkiye.

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 legislations and regulations, for communicating chemical requirements to our suppliers and for responding to question 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

Chetna Organic

The fundamental goal of Chetna Organic Agriculture Producer Company is to improve the livelihood of tribal smallholder farmers who depend on rain-fed agriculture by making their agricultural systems more successful and long-lasting. Chetna supports organic cotton farming and conducts collaborative research on the best practices based on agro-climatic circumstances, including seed trials to increase the productivity and marketability of farmers' produce with a major focus on the production of Non-GMO-Seed Cotton as per the organic and fairtrade standards. 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 business 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.com

9. Corporate Social Responsibility

Below are some of the highlights of 2023 within the field of sustainability.

- A total reduction of 20% CO2e emissions compared to 2018
We mapped all our emissions from our full supply chain in accordance with the Greenhouse Gas Protocol for the fifth year in a row.
- **Free repairs forever**
2023 we repaired 73,368 jeans.
- 92,9% Organic, certified, or recycled fibers
Of all fibers we used in 2023, 92,9% were fibers we defined as preferred according to the Nudie Jeans Material Tool.
- **Certified Organic**
When we use virgin cotton, we are proud to say that we only work with certified organic cotton. 2023 was the seventh full year in which we used only certified organic cotton for all our cotton products.
- **Good!**
We were ranked “Good” in FWF 2022’s benchmarking, and “Leader” in FWF 2023’s benchmarking
- **Create Material Change**
We were placed in the Scaling category in the Textile Exchange Material Change Index.
- **Trying out express repairs**
Paid express repairs service started in UK
- **Scaling up of our reversed supply chain**
In 2023 we continued our Repairs and Reuse development through our repair partner Scottish textile circularity experts ACS Clothing and running a reuse pilot in Sweden.
- **NPS score in 2023 was 77.8.**

