



Mudie Jeans co

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SUSTAINABILITY  
REPORT  
2015

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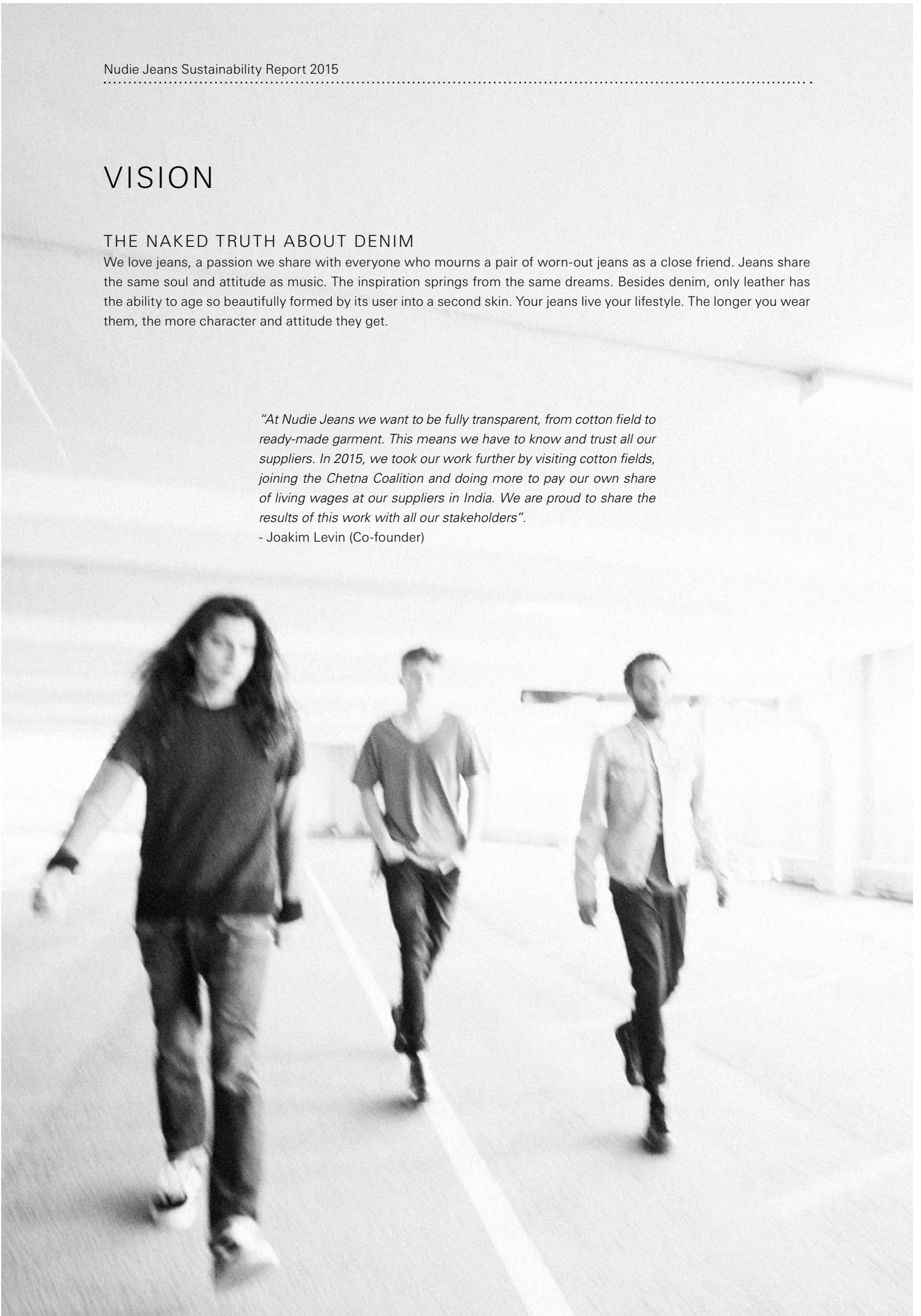
## VISION

### THE NAKED TRUTH ABOUT DENIM

We love jeans, a passion we share with everyone who mourns a pair of worn-out jeans as a close friend. Jeans share the same soul and attitude as music. The inspiration springs from the same dreams. Besides denim, only leather has the ability to age so beautifully formed by its user into a second skin. Your jeans live your lifestyle. The longer you wear them, the more character and attitude they get.

*"At Nudie Jeans we want to be fully transparent, from cotton field to ready-made garment. This means we have to know and trust all our suppliers. In 2015, we took our work further by visiting cotton fields, joining the Chetna Coalition and doing more to pay our own share of living wages at our suppliers in India. We are proud to share the results of this work with all our stakeholders".*

- Joakim Levin (Co-founder)



## THIS IS NUDIE JEANS

Nudie Jeans is a Swedish denim brand founded in 2001 by Maria Erixon, currently our creative director. The company is independent and privately owned by Maria Erixon, Joakim Levin and Pelle Stenberg.

It retails in 40 countries around the world with 22 concept stores in Gothenburg, Stockholm, Oslo, Zürich, Barcelona, Sydney, Melbourne, Osaka, Tokyo, London, Berlin, New York, and Los Angeles, and is represented in 2,000 multi-brand stores globally. The brand operates a webshop that ships worldwide and the company as a whole sold approximately 1 million pair of jeans in 2015.

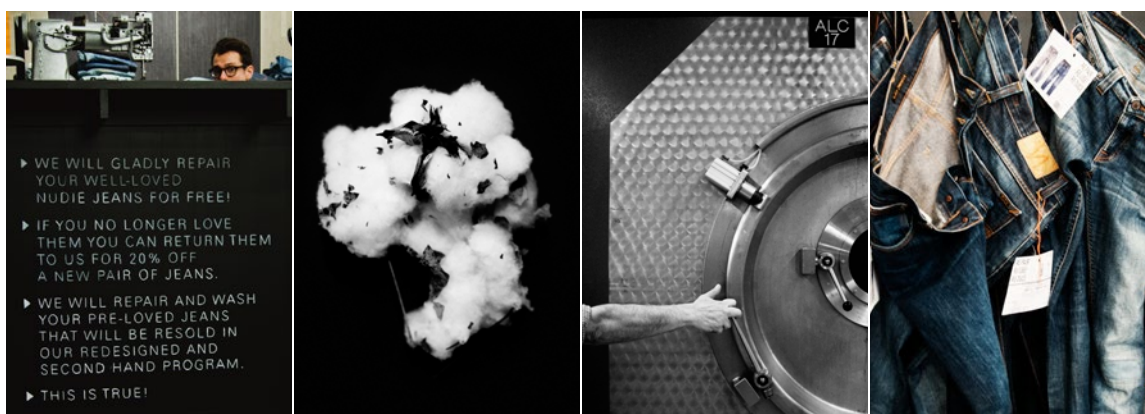
The brand has around 170 employees globally and the Head Office, located in Gothenburg, employees around 60 people. The Head Office covers all aspects of the business including design, production, sales, marketing, supply chain management and customer service.

Since the Fall/Winter 2012 collection, all jeans are made from 100% organic cotton. Sustainability is one of our core values and is reflected in everything we do. We strive to achieve long-term relationships with a few selected suppliers and currently 77% of our production takes place in Europe.

Nudie Jeans is a member of the Fair Wear Foundation and together we have developed a program for paying our share of living wages at one of our suppliers in India. We collaborate with different kinds of organizations that are working for a more sustainable textile industry. In addition to Fair Wear Foundation, we are also a member of Textile Exchange, Fur Free Alliance and the chemical group in Swerea, to name a few.

### NUDIE JEANS TIMELINE





OUR PRODUCT IS MADE WITH

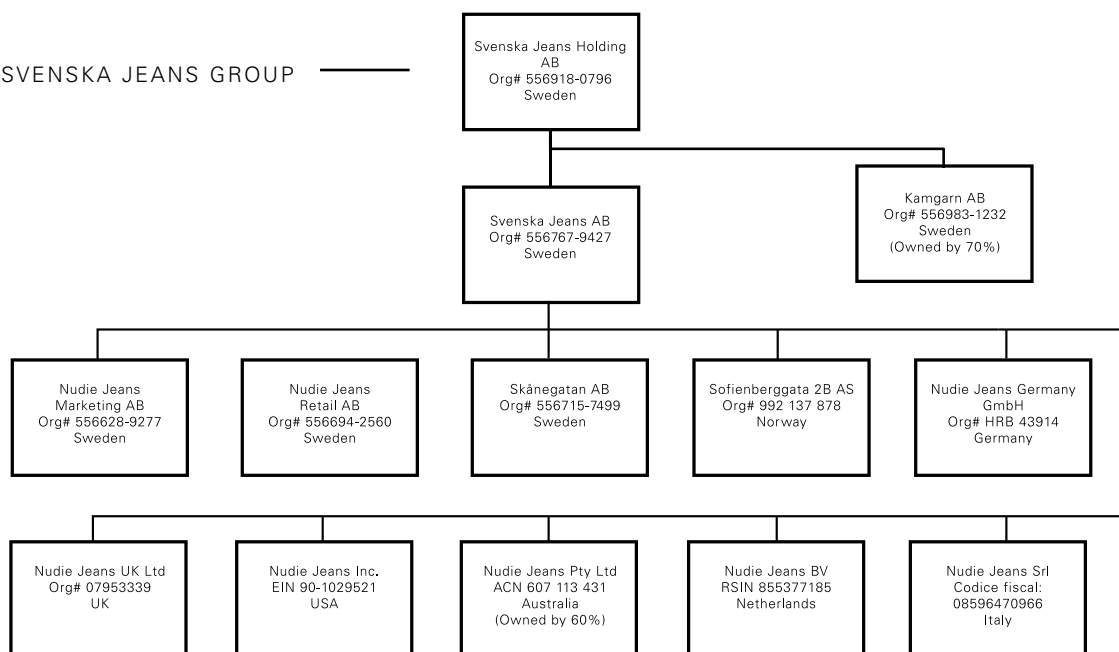
- 100% ORGANIC COTTON.
- SOCIAL RESPONSIBILITY.
- TRANSPARENT PRODUCTION.

WE STRIVE TO ACHIEVE A SUSTAINABLE CONSUMPTION PATTERN BY

- OFFERING A FREE REPAIR SERVICE
- RESELLING SECOND-HAND PRODUCTS
- RECYCLING WORN-OUT PRODUCTS

A HIGH QUALITY PRODUCT – MADE IN A FAIR WAY

SVENSKA JEANS GROUP



## ECO CYCLE

We don't believe "throwaway" and "jeans" are words that belong together and our eco cycle is a good example of how we practice the idea. The eco cycle is always with us, from decision-making in the design process to the choice of material, to being part of our interior design in our repair shops, and a communication tool when meeting customers in store. It is everything that we do.

### BREAK IN

For many people nothing beats the smell of a new pair of dry jeans. It is, literally, the smell of craftsmanship. At every stage, from the harvesting of the cotton, through to the indigo dyeing and the weaving, to the sewing, men and women have used their hands to create your jeans.

When you slip into a new pair of dries, another kind of craftsmanship begins – the breaking in. For some people, breaking in jeans is a sport. And for all of us, it's definitely a challenge. Breaking in a pair of dry jeans is a journey that lasts six months. The outcome depends on how you travel. Sitting around in the office won't grace the denim as much as if it is used while repairing motorbikes. Regardless of your lifestyle, your jeans become a log of the months that pass – you might even end up with a few amusing anecdotes regarding different stains, abrasions, or scrapes.

When you've come this far, you and your new stiff dries will have gone from being separate entities to a unified whole – a second skin. Compared to a new pair of dry jeans, the smell of a well-worn pair of jeans just before being washed is a completely different matter. It's a smell that could most probably raise the dead. But it's most definitely the smell of a winner.

### REPAIR

We know that when your favorite pair of jeans break, you don't want to throw them away. They might not be new any longer but they are most certainly more unique, beautiful and full of character.

At our repair shops we offer free repairs on all Nudie Jeans. Because extending the life of your favorite pair is a fairly easy task and we have a few ways of doing this. If you live anywhere near one of our Nudie Jeans Repair Shops, we offer repairs free of charge. If, on the other hand, you don't have the option to come by one of our repair shops, we can send you a repair kit free of charge. The Nudie Jeans Repair Kit contains thread, patches and a few more things necessary to do your own repair!

The repair service is greatly appreciated among customers, but it also serves as an important factor when it comes to reducing the environmental impact in the user phase. Being able to prolong the life of the jeans contributes to a more sustainable consumption.

We have gathered statistics from our repair shops in Sweden, Norway, United Kingdom and Australia, and in 2015 we repaired 36,331 pair of jeans! That is 8,108 more pairs than the year before.



	REPAIRED 2014	REPAIRED 2015	DIFFERENCE 2014/2015
Barkarby	520	841	+321
Freeport	947	813	-134
Vallgatan	2404	2917	+513
Skånegatan	1709	2449	+740
Jakobsbergsgatan	1654	3111	+1457
Drottninggatan	1543	3568	+2025
Soho	4446	4531	+85
Shoreditch	0	1645	+1645
Hegdehaugsveien	0	1223	+1223
Bowery	0	233	+233
Australia	15000	15000	
<b>Total</b>	<b>28223</b>	<b>36331</b>	<b>+8108</b>

## REUSE

We don't believe "throwaway" and "jeans" are words that belong together. Quite the opposite. Jeans are an item of clothing that age and grow more beautiful with the wearer, and are worth wearing out and mending.

If your jeans have become too small, too big or if you and your favorite pair don't really get along anymore, you can hand them in to one of our repair shops and get 20% off when you buy a new pair.

We wash and repair each pair and return them to the shop as second-hand articles. These used and repaired jeans have achieved the Swedish "Good Environmental Choice" eco label.

Jeans that we don't sell second hand we use as patches to extend the life of other customers' jeans that are handed in to us for repair.

We are proud to be able to take responsibility for our products, even after our customers are tired of them. By providing this option we reduce the risk that the jeans will end up in the bin. And best of all is that the jeans we receive might become someone else's favorite pair!

	Sold Reused 2015
Barkarby	8
Freeport	24
Vallgatan	235
Skånegatan	74
Jakobsbergsgatan	58
Drottninggatan	71
Soho	105
Shoreditch	66
Hegdehaugsveien	37
Bowery	0
Australia	20
<b>Total</b>	<b>698</b>

## RECYCLING

Jeans can be repaired over and over again. But eventually you reach the point when it is time to move on. All good things come to an end. But a pair of worn-out jeans can be used to make something else. Recycling reduces waste, saves energy and reduces the consumption of raw materials.

Cotton fibers actually last much longer than we normally tend to use or wear them. A pair of jeans can be recycled in various ways. We are constantly looking for new ways of extending the life of cotton fiber. We have transformed old worn-out jeans into new ones by cutting and milling the old ones down to a cotton-like pulp which becomes raw material for new yarn.

In the spring of 2013, rag rugs made from old Nudie Jeans were released. The rugs were made from jeans that were cut into strips and then woven by hand on manual shuttle looms.

Upholstering old chairs and sofas with worn-out jeans is somewhere between reusing and recycling. Over the years we have transformed many dull-looking sofas into beautiful denim patchwork creations for our offices, showrooms and shops. Many creative ideas and important decisions have developed from our philosophy and the eco cycle. How we work with user stories for example, or how we choose to build our stores.

## USER STORIES

We love to share our knowledge and experiences with customers, the industry and our own employees. But we also love it when customers share their jeans experiences with us. That's why we are constantly gathering what we call "user stories". We want our customers to share pictures of their jeans on social media and tell us their story, what they have gone through together with their jeans on their breaking-in journey. We have also hosted gallery events where we have showcased carefully selected, beautifully worn-in jeans, which customers have let us borrow or have donated to us. This is a way for us to share our passion for a well worn-in pair of jeans with our customers. Not only do we love having the opportunity of seeing how our jeans develop over time, it also inspires us for future washes or limited editions. It is a way for us to bring our customers' experiences with their jeans back into the design process.

## STORE CONCEPT

Since 2013 we have decided to call all of our stores "Repair Shops". We have done this because we want to communicate to our customers that repair is an important part of what we are doing. Of course, you can buy all of our products in our repair shops, but we have also chosen to give the repair stations a key position in the store, because repairing and caring for our clothing is also a key idea in what we are doing.

When opening new repair shops or renovating old ones, we always have a few things in mind. First of all, we try to keep as much of the original surfaces as possible and only renew what is necessary. We always use eco-labeled paint and choose materials that are sustainable over time and that age beautifully. We use materials that are as close to the raw material as possible, for example, wood or metal, and use as little surface treatment as possible. It saves energy in the production phase but it also makes it easier to recycle. Regarding surface treatment, we only use environmentally-friendly alternatives such as organic oils, waxes or powder coating.

We use, as far as possible, the most sustainable alternative when it comes to material choices. For example, we only use FSC labeled wood. The Forest Stewardship Council is a certification to ensure responsible forest management.

Lights in stores are always LED, to save energy. And when functionality permits, we use as many vintage and second-hand items as possible, for example, chairs, smaller merchandise furniture, lamps and old store counters that can be rebuild to suit today's needs.



## RESPONSIBLE PRODUCTION

We do not envisage a trade-off between profit and people, or between manufacture and environmental responsibility. These issues are major factors in our choice of suppliers. As with most other clothing brands, we don't own the factories in which our clothing is made. However, together with the garment factories we collaborate with, we bear the responsibility of providing a safe, fair and ethical working environment for all the people who are involved in the manufacture of our clothes.

We strive to take responsibility at every step of the way, from choosing organic cotton, to only working together with a handful of partners, all of whom are required to comply with our code of conduct. Our membership of the Fair Wear Foundation is a key element in ensuring that everyone across the production chain works under fair conditions. We have reviewed our transportation requirements and these days we mainly use ship and rail transportation. But we don't stop there.

We want to take responsibility for our products even after they have left the store. That's why we offer free repairs on all Nudie Jeans, and when our customers don't want their jeans any longer, we are happy to take them in and give a 20% discount when the customer buys a new pair. In this way we can reduce the environmental impact in the user phase and take responsibility all the way to the end of the product's operational life.

### ORGANIC COTTON

In 2006, Nudie jeans announced one of the brand's key future goals: a 100% organic denim collection. In fall 2012, we launched the first collection in-store!

The implementation of the idea proved to be a struggle. It forced us to change our approach and the way we work. Most of our denim suppliers produced few, if any, organic denim fabrics. At the time, the organic trend wasn't as big as a few years back.

The leading manufacturers of denim clothing are located in Italy and Turkey. Since Turkey is also a major producer of organic cotton, it was a natural step to start there. We started to develop new fabrics that resulted in a selection of high-quality organic weaves. These fabrics were used in all denim articles found in the fall/winter 2012 collection, as well as the coming spring 2013 collection.

From there on we have expanded our organic cotton use to include almost 100% of all the cotton we use in production, and we are ranked no. 1 in the "Race To The Top – Top 10 Users By Organic Share", a league table in the 2015 Textile Exchange Organic Cotton Market Report, celebrating companies that are converting their ranges to organic cotton.

#### ORGANIC COTTON (OF ALL THE COTTON STYLES) 2015



Why does organic cotton matter? Most importantly it is the massive reduction in chemicals and pesticides that are used when growing conventional cotton. When choosing organic cotton, both the people working in the fields and the soil the cotton is cultivated in are saved from the hazardous risks associated with these chemicals and pesticides. Organic cotton is cultivated without the use of chemicals, pesticides, fertilizer, defoliations and GMOs.

Choosing organic cotton means that we are already reducing our environmental impact from the very first step in the process of making a pair of jeans.

Our denim fabrics are also certified in accordance with Global Organic Textile Standards (GOTS) and the Organic Content Standard (OCS).

## FAIRTRADE AND GOTS

The cotton we use for our basic tees, long sleeves, basic sweatshirts, underwear and shirts made in India are organic and Fairtrade certified. The Fairtrade cotton we use is grown and ginned in northern India. Using organic and Fairtrade cotton benefits both the environment, the people who grow and handle the cotton and the end consumer.

Fairtrade certified cotton ensures that the farmers have been paid a fair price for their cotton and that we contribute to the growth of the local community through the Fairtrade premium we pay. The organic cotton ensures that an organic farming practice has been observed and that no harmful chemicals have been used in the process.

The Global Organic Textile Standard (or GOTS) is a global textile standard for organic fibers, which also includes ecological and social criteria. The aim of the standard is to ensure organic standards – everything from the harvesting, through the manufacturing process to the labeling – in order to offer the consumer a credible global label.

## CHETNA COALITION

Our Fairtrade cotton is bought from Chetna Organic, an Indian non-governmental organization. Chetna Organic works with small, marginal farmers to improve their livelihood through sustainable cotton farming.

The Chetna Coalition is a newly-started project where a number of brands have joined forces and together are working to improve the organic cotton supply chain by planning their procurement for the following year. By communicating their requirements to the farmers within Chetna Organic, the farmers are able to plan their farming and know from the start that they will have a market for the cotton they grow. At the same time, the various brands can have an assured source of organic fabric when planning their products.

## SUSTAINABLE MATERIALS

Although cotton is the main material we work with, as our main product is denim, we also make other garments in other materials. That's why we have started to focus on something we call "sustainable material". We define sustainable materials from "Made-By Environmental Benchmark for Fibers". For us, category A and B are sustainable materials. It includes recycled materials, organic cotton and tencel. Material not in these categories is leather and organic wool. For these we define organic wool and leather from organically-reared animals as sustainable choices.

Below you can see the proportion of sustainable material used in our 2015 collections.

#### MADE BY ENVIRONMENTAL BENCHMARK FOR FIBERS

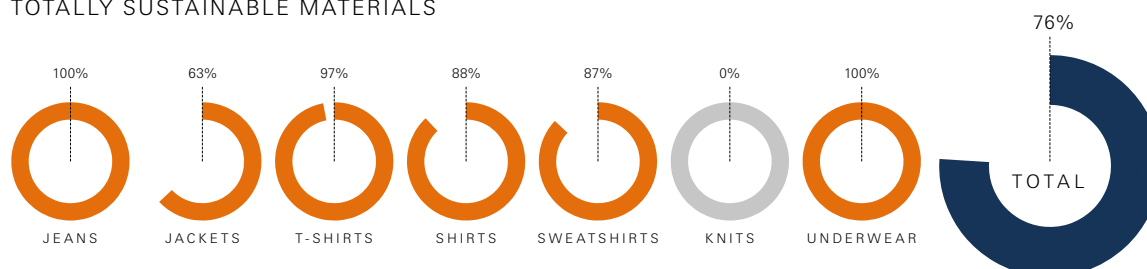
CLASS A	CLASS B	CLASS C	CLASS D	CLASS E	UNCLASSIFIED
Mechanically Recycled Nylon	Chemically Recycled Nylon	Conventional Flax (Linen)	Modal® (Lenzing Viscose Product)	Bamboo Viscose	Acetate
Mechanically Recycled Polyester	Chemically Recycled Polyester	Conventional Hemp	Poly-acrylic	Conventional Cotton	Alpaca Wool
Organic Flax (Linen)	CRAILAR® Flax	PLA	Virgin Polyester	Cuprammonium Rayon	Cashmere Wool
Organic Hemp	In Conversion Cotton	Ramie		Generic Viscose	Leather
Recycled Cotton	Monocel® (Bamboo Lyocell Product)			Rayon	Mohair Wool
Recycled Wool	Organic Cotton			Spandex (Elastane)	Natural Bamboo
	TENCEL® (Lenzing Lyocell Product)			Virgin Nylon	Organic Wool
				Wool	Silk

MORE SUSTAINABLE

LESS SUSTAINABLE



#### TOTALLY SUSTAINABLE MATERIALS



#### DESIGN

We want to create clothing that is used for a long time; that becomes your favorite garments and is something you want to wear every day. This is also a way of slowing down high-speed consumption, of changing the focus from daily trends and to finding those core products that we want to keep in our wardrobe for a long time. We think it is important to create clothing that can live through repairs and that only becomes more beautiful with time. This is the basis from which our design process proceeds.

#### CHEMICALS

Nudie Jeans wants to contribute to sustainable development. We achieve this by striving to reduce environmental impact as far as is technically, economically and practically possible within the scope of our business. Nudie Jeans' environmental concerns are in accordance with current national legislation and EU legislation, but also go beyond this by endorsing voluntary schemes and by choosing sustainable materials and production processes where this is possible. We require all our suppliers, whether production is placed outside or inside Europe, to comply with chemical legislation within the European Union.

To meet the high environmental ambitions of Nudie Jeans, we have more stringent requirements regarding chemicals that can remain in the end product (product-related chemicals), as well as chemicals used in production (process chemicals).

These requirements form part of our Restricted Substance List, and are in line with best practices within the textile industry and legislation in our sales countries outside the EU.

## TRANSPORTATION

We are constantly working to improve our transportation. Currently, transportation is generally arranged as follows: Fabrics are transported from Turkey to Italy by truck. The finished product is then shipped from Italy by truck, train or truck-on-train, to our Swedish warehouse, Korallen. For direct deliveries in Europe we use trucks; for direct deliveries to other overseas countries like the USA, Japan and Australia we use air freight. The products made in India are shipped to Europe via sea freight. All items sent to Sweden, and nearby destinations, are transferred through the Korallen warehouse. Korallen also focuses strongly on the environment, including waste handling and recycling of our packaging material.

In 2015 the total CO<sub>2</sub> emission reached 3,182 cmb CO<sub>2</sub> for our international transports and 2,486 cmb CO<sub>2</sub> for our national transports.

## BAGS AND PACKAGING

We care a great deal about taking responsibility in the production of our clothing. We therefore find it equally important to care for how we package and distribute our products to the customer.

All bags and gift boxes used in our repair shops are made from 100% recycled paper and are FSC- certified. The Forest Stewardship Council is a certification to ensure responsible forest management.

When ordering products from our website they are delivered in plastic bags made from RE-LDPE and RE-HDPE, which is a recycled plastic comprising 80% recycled materials and 20% new plastic. This option is currently among the best alternatives with regards to sustainability and durability in plastic bags.

We believe that it is very important to look at every aspect of what we are doing and to assess if there is a better way of doing it. Thus, our environmental work is in a constant state of development, where we always try to find better alternatives.



## SOCIAL RESPONSIBILITY

*"Social responsibility has always been important to us. Joining the Fair Wear Foundation gives us the tools and the knowledge to take the next step and also gives credibility to our efforts".*

Palle Stenberg, CEO at Nudie Jeans

Most companies demand a good product and high quality at a reasonable price from their suppliers. At Nudie Jeans we also believe in taking greater responsibility for our actions. This includes a lot more than just providing good products at the right price. Our consumers are not just interested in the quality of the products they buy; they also care about the work behind the brand and the social and environmental conditions of its production. At Nudie Jeans we want sustainable and healthy development for people and the environment. We want to help improve conditions in the garment industry.

That's why we want everyone who works with us to be concerned about human rights, wages, working hours and social accountability.

Nudie Jeans and its suppliers share great responsibility towards everyone involved in producing our products. Nudie Jeans requires its suppliers to guarantee good working conditions and a good working environment in manufacturing. Our responsibility is to select those suppliers who can guarantee that no-one involved in our production – whether supplier or subcontractor – is denied their basic human rights or suffers any injury. Our conscious choice of suppliers is based on long-term relationships and personal confidence.

## TRANSPARENCY

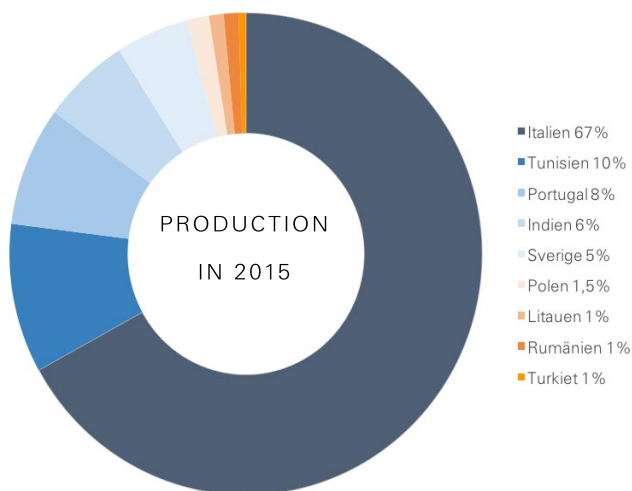
In 2012 we set a new goal: we wanted to have total transparency in how and where our products were made. The goal was divided into transparency and traceability of products. The first step was to focus on being transparent with as much information as possible. The first step of the transparency project was presented on our website in spring 2013 as the Production Guide. The information is visually displayed on our website where you can click on the products and receive detailed information about the production premises. The Production Guide is updated four times a year according to the season.



<http://www.nudiejeans.com/productionguide>

You can also find information on audit procedures, materials, transportation, audit summaries and general supplier info.

In 2015, a high percentage (77%) of our production took place in Europe. This is due to quality, shorter transportation times to Sweden and also for giving us better control over our production. According to Fair Wear Foundation terminology, 17.5% of our production was in high risk countries and 82.5% in low risk countries.



## AUDITS 2015

It makes no difference to us if our suppliers are located in a high risk country or a low risk country, our Code of Conduct applies to all our suppliers and subcontractors involved in our production.

In 2015 we performed less audits and more follow ups from the previous year's audits. Nevertheless, we made eight audits in total, four in low risk countries and four in high risk countries. The audits in high risk countries were conducted with FWF audit teams, and in low risk countries with the independent consultancy company MOST CSR. (<http://www.csr-most.com>)

FACTORY	COUNTRY	PRODUCT GROUP	PRODUCTION PROCESS	DATE	AUDITOR
Everest	Italy	Jeans	Laundry	July 2015	Most CSR
Teclotendencia	Portugal	Jacket	Stitching	October 2015	Pedro Martins
Fiorima	Portugal	Socks	CMT	October 2015	Pedro Martins
Lelija	Lithuania	Jackets, Vests	CMT	February 2015	Most CSR
Suvastra	India	Woven shirts	CMT	July 2015	FWF
Mergu	Turkey	Knitted Items	CMT	July 2015	FWF
MP Leathers	India	Leather jackets	Stitching	December 2015	FWF
Tata Leathers	India	Leather jackets	CMT	December 2015	FWF

According to the FWF Brand Performance check we have covered 99% of our production units.

	2013	2014	2015*
FWF Category	Good	Leader	Leader
% of suppliers under monitoring	99	97	99
% of production in low risk countries	91	86	74
% of suppliers visited during the year	97	98	98
Number of complaints received	1	2	4
% of suppliers participating in WEP	66	66	37

\*The figures are taken from the FWF Brand Performance Check, which shows the reality for the year 2014. The next Brand Performance Check, showing the results for 2015, is planned to take place in mid-2016.

In 2015 we remained in the FWF "Leader" category and a high percentage of our production still takes place in low risk countries/Europe. We managed to visit 98% of our supplier bases, including subcontractors. During the year we received four complaints from different factories. We regard this as positive because more employees are aware of their rights, the Nudie Jeans Code of Conduct and the FWF complaints hotline.

## GOOD EXAMPLES

We are proud to collaborate with high standard suppliers who have strong environmental and social concerns. In the Production Guide on our website, you can read summaries of all of our audits, where we list both negative and positive points. However, we would like to share some good examples here from the audits we performed in 2015.

### Fiorima

Fiorima has been a supplier for Nudie Jeans since 2013. The company is based in Portugal and supplies us with socks. Fiorima is a good example of a supplier that has come far in terms of both chemical management and other environmental aspects, as well as a satisfied and enthusiastic workforce. The factory already has a number of certifications, including the OHSAS 18001 standard and SA 8000 standard, which shows that they are very involved in environmental issues.

In October 2015 we conducted our first audit at the factory, in collaboration with our Portuguese auditor. The report showed that the employees seemed very happy, had a good relationship with the management and the workspace and production areas were very well managed. Generally, when conducting an audit, the points for improvement are always summarized in a Corrective Action Plan (CAP). However, the audit at Fiorina indicated that there were no findings that required inclusion in the CAP. This is unusual and we were very happy to see this.

### Everest Srl

Everest Srl is one of our newest suppliers for laundering our jeans. We started working together in 2015. Everest was established in 1976 and is located in Northern Italy. The company has a total of 62 employees, 25 female and 37 male. Everest is a laundry that specializes in denim finishing and in garment dye treatment and the company has a strong focus on the environment. Everest recycles 70% of the water used in the washing process.

As Everest is one of our new suppliers, we conducted our first audit in August 2015 in cooperation with Most CSR and were very happy with the result. The work environment is very structured and clean and the workforce regularly participates in meetings and training sessions on subjects such as safety and risks in the workplace, first aid, and reading MSDS, for example.

Interviews with the employees indicated that they felt safe at work, that they received regular visits from the factory doctor, and that personnel working with chemicals always received specific training on handling and storage. Evacuation drills are also regularly conducted at the factory.

The few points that were noted in the CAP were revised and improved at the follow-up that took place in September.

### Suvastra

Suvastra is also one of our relatively new suppliers. In April 2015 we performed our first audit at the factory in cooperation with FWF. The factory is located in Bangalore in South India. Suvastra currently makes shirts for us in organic and Fairtrade cotton. Suvastra has a total of 248 employees, 133 female and 115 male. The factory also employs two differently-abled people.

During the audit, eleven employees were interviewed. These interviews showed that the employees did not have any complaints regarding health issues and that they were provided with PPE. There was no negative feedback concerning noise, temperature, ventilation or lighting. A workplace education program has also been conducted on the site, implemented by an NGO called SWASTHI and funded by Walmart.

Even though interviews showed that workers at Suvastra were happy about the wage level at the factory, and that they were paid more than the legal minimum wage, wages in this region are generally very low. In 2015 we started discussions with Suvastra about expanding our living wage project that we are currently working with at Armstrong – another supplier in India – and applying a similar project at Suvastra. Before the year ended we had not yet reached a decision about how to implement this in practice, but at the time of writing this report we are happy to state that the project will be implemented in 2016.

Suvastra is also an active member of the Chetna coalition. Being a part of this work helps small and marginal farmers to improve their livelihood opportunities through sustainable cotton farming.

## EDUCATION AND TRAINING

Although auditing is one of the processes that can improve conditions at the factory level, we also see the need for employee education and training in order to make sustainable improvements. This is the reason why, for several years, we have involved our suppliers in the FWF training program, the Workers' Education Program (WEP).

In 2015, our suppliers in India and Tunisia participated in the FWF WEP.

The training in Tunisia included an introduction to FWF, FWF standards, communication and the grievance mechanism, as well as information on the complaints mechanism.

In India, the factory participated in workers' training, raising awareness about workplace standards and grievance systems, and developing working anti-harassment committees. Other types of training has been given to line supervisors, where the focus has been on leadership and team work, as well as types of harassment and how to identify them.

There was also an election to the Internal Complaints committee and training for new members including: roles and responsibilities of committee members, ways to take up complaints and procedures to follow while dealing with a complaint. The training has been much appreciated among the employees, both in India and Tunisia. It gave them a way of expressing their concerns. The workers were very interested in electing members for a new Internal Complaints Committee. They found the FWF labor standards very useful.

## LIVING WAGE PAYMENT IN INDIA

Since 2012, Nudie Jeans has been paying its share of a living wage for our production at the Armstrong knitting mill, Tirupur, India.

Together with Armstrong we have calculated a living wage bonus that has been paid to all CMT workers. It has been verified by several different stakeholders, including FWF, that payments have reached the workers. Both Nudie Jeans and Armstrong are very positive about expanding the living wage payments. This is why Nudie Jeans is reaching out to other brands that source from Armstrong to expand living wage payments to other production departments at Armstrong. Currently, three brands are already paying the living wage share at Armstrong in accordance with the methodology developed by Nudie Jeans and Armstrong.

The living wage estimate is based on a survey taken among the employees. The survey looked at calorie intake, school fees in the area, cost of living in the Tirupur area, as well as consulting local stakeholders such as SAVE and trade unions. The estimate is annually revised to match the increasing cost of living. We believe that allowing the factory to be involved in the calculation is most sustainable in the long term as it strengthens the factory's own commitment to living wage payments.

## ANTI CORRUPTION

At Nudie Jeans we do not accept any kind of corruption or bribe. This is communicated to all employees and suppliers through our Code of Conduct. This means that suppliers cannot offer gifts or other similar items to specific employees in exchange for favors. It also means that no employee of Nudie Jeans can accept gifts from suppliers or partners for personal benefit.



## COLLABORATIONS

Nudie Jeans have during the years had restricted collaborations, we want to be associated only with partners and organizations who share our views and values. Below is a short presentation of the organizations we have an active collaboration with.

### FAIR WEAR FOUNDATION

We have been members of the Fair Wear Foundation (FWF) since 2009.

Nudie Jeans fulfils most of FWF's management system requirements, and goes beyond some of them.

Nearly 75% of Nudie Jeans' total purchasing volume is sourced from low risk countries such as Italy and Portugal. Together with factories audited by FWF teams in Tunisia and India, Nudie Jeans has monitored nearly 100% of its 2014 purchasing volume and therefore meets the FWF's monitoring threshold. In addition, the company has conducted audits in Portugal and Italy with an independent auditor. This, in addition to high leverage at suppliers and the stable relationships with suppliers, gives the company a strong basis for effectively monitoring working conditions.



The latest 2015 Brand Performance Check is available on the Nudie Jeans website, as well as on the FWF website. Nudie Jeans are in the "Leader" category. Score: 78 Percentage under monitoring: 99% Category: Leader

### SWEREA

Since 2015, we been a member of Kemikaligruppen (the chemical group) at Swerea. This is a platform for chemical knowledge in the textile production chain, for staying updated regarding chemical legislation and regulations, communicating chemical requirements to our suppliers and responding to questions from the media and consumers on this issue. We meet four times annually and share experiences and knowledge with other brands, NGOs, experts within the field and authorities.



### CSR VÄSTSVERIGE

We are an active member of CSR Västsverige, Sweden's largest CSR network for the private, public and NGO sector. This is a platform for learning, sharing experiences and knowledge, where we participate in meetings with other member brands from different sectors to discuss CSR-related topics.

<http://csrvastsverige.se/>



### FUR FREE ALLIANCE

We have been a member of the Fur Free Retailer Program since 2015.

The Fur Free Retailer Program is an international initiative to provide consumers with accurate information about a retailer's fur policy, allowing them to make an informed choice when shopping. Fur Free Retailer recognizes and supports retailers who have committed, in writing, to a no-fur policy. Taking an ethical and public stand against fur fashion offers us a chance to promote a public policy against violence and cruelty, and to lend its support to international efforts to end this unnecessary and cruel fashion choice.

<http://www.furfreealliance.com/>



### TEXTILE EXCHANGE

We have been a member of the Textile Exchange since 2009.

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



### AMNESTY INTERNATIONAL

For many years we have collaborated with Amnesty (Sweden), for example, the Human Rights t-shirt competition in 2007 and the Empowerment Challenge in 2011. A part of our sales have been donated to Amnesty's work. Now we support Amnesty's work with children's rights by donating 5 euros for each pair of children's jeans we sell. Every child should have the right to a safe childhood.

[www.amnesty.org](http://www.amnesty.org)



## SHARING KNOWLEDGE

Another part of our business that we find very important – and enjoyable – are all the opportunities we have to spread and share information and knowledge. Information about what we are doing, the importance of organic cotton, the importance of taking responsibility in production and working transparently.

We place great emphasis on employing sale staffs in our stores who are aware of how we operate, that can answer all kinds of questions: from chemicals in the coloring, to working conditions, or how customers should care for their garments. Because meeting the customers also means an opportunity to spread knowledge. It is in the meeting with the customer in-store and online via our webstore that we have the opportunity to tell customers about our repair service and that we offer customers a 20% discount on a new pair of jeans when they hand in an old pair, for example.

Apart from educating our store staff, we also, regularly, educate everyone working at our headquarters, wholesale department and webshop so that everybody is kept up to date on the latest news regarding our CSR work. For us, CSR is not a part of the business that only belongs to one division of the company, it is something that is a part of everything we do, and a part of everybody that works with us.

Sometimes we are also invited to talk about our CSR work, and how it has developed over time, at meetings and courses held within the textile industry or in relation to universities. We are very open about sharing our knowledge because we believe we have to work together to be able to develop further within the field of CSR. We are part of several collaborations and participate as much as we can in talks and meetings regarding these issues.

Together with the opening of three more repair shops in 2015, we have also managed to spread the word about what we are doing to more places around the world and to more people. We rarely advertise; we believe that great service and great ideas are spread more effectively by word of mouth. The more customers that are happy with our service and/or our products, the more customers will find their way to us.

We are also very pleased when people are so interested in what we are doing that they choose to write about us in the media. In 2015 we were lucky enough to be included in some great articles about sustainability within the fashion and textile industry. We have also had whole articles dedicated to our work and philosophy. We were mentioned in Not Just a Label's ethical fashion column as an example on how up-scaling and the art of repairing are now returning to the fashion industry, an interesting response to rapid consumption and a way of consuming more conscientiously; to buy less and buy better. We were a part of the Sustainia 100 Study 2015 that presented 100 new stories from the forefront of sustainable innovation, where Nudie Jeans and our global repair service were mentioned as one of them. We also had the pleasure of being covered in Elle HK's London correspondent blog as one of the best user- and eco-friendly designs in the world.

As an appendix to this report you can also find the beautiful coverage we received from Port Magazine, with focus on our sustainability work.

### INFORMATION MATTERS:

Research carried out by the School of Business, Economics and Law at the University of Gothenburg shows that customers visiting our online Production Guide and our webshop are more likely to spend a higher amount in the webshop than customers shopping in the webshop who have not visited our Production Guide. According to the study, our Production Guide and transparency work have increased our webshop's revenues by approximately EUR 0.3 million per year.

*"...consumer willingness to buy was substantially improved by Nudie Jeans Transparency project and that the project has increased Nudie Jeans webshop revenues by approximately EUR 0.3 million per year"*  
Supply Chain Transparency as a Consumer or Corporate Tool: The Case of Nudie Jeans Co by N. Egels-Zandén & N. Hansson. Springer Science+Business Media New York 2015

<https://www.notjustalabel.com/editorial/make-do-and-mend>

<http://blogs.elle.com.hk/ELLEOphelia/2015/05/14/learn-from-the-swedes-eco-friendly-nudie-jeans/>

[https://issuu.com/sustainia/docs/sustainia100\\_2015/59?e=4517615/13109045](https://issuu.com/sustainia/docs/sustainia100_2015/59?e=4517615/13109045)

## NUDIE JEANS AS A WORKPLACE

### WORKING AT NUDIE JEANS

Here at Nudie Jeans we see our employees as our most important resource and it is our employees, along with our collections, that provide the vigor and strength needed for Nudie's future. The company wants to invest and does invest major resources in training, personal development, the work environment, working tools and everything needed to create a stimulating, open workplace that develops people and careers. It is our desire to see each and every employee achieve his or her highest potential. We will do our best to provide the opportunity and offer training and guidance whenever possible.

It is our objective to provide a work environment free from elements that would deter our employees from doing their best. All concerns may be expressed through our open door policy. The management at Nudie Jeans maintains this open door policy to discuss any issues the employees may have. The aim of the office's HR policy is that all our employees should find themselves in a pleasant environment and climate and should feel they are in a stimulating, open workplace where they can develop.

Employees are hired based solely on Nudie Jeans' personnel requirements and the qualifications of each individual candidate.

We will not tolerate or condone discrimination based on age, race, color, religion, sex, national origin, sexual orientation or disability. We will comply with the spirit and letter of all local, state and federal laws pertaining to employment. Furthermore, we will not discriminate based on age, race, color, religion, sex, national origin, sexual orientation or disability.

It is Nudie Jeans' objective to provide a working environment free from discrimination and conduct commonly referred to as "sexual harassment". A workplace with an equal division between women and men results in a more creative and stimulating climate to work in. Thus, at Nudie Jeans we are keen to ensure that the way we work is characterized by both female and male views and values. For this reason, we try to ensure that all work teams are made up of both female and male employees

### ENVIRONMENTAL DIPLOMA

We are constantly working to reduce our environmental impact. This takes place at a production level, but it also takes place in our Swedish repair shops and at our Head Office. In respect of our shops and office, every year we perform an audit and assessment of all our activities that have an environmental impact. Everything from statistics regarding the use of printing paper, to electricity consumption, to waste separation and recycling, to registering all chemicals that we use. We comply with a standard called Svensk Miljöbas, which is a national environmental standard adopted for smaller businesses and organizations. Our work is examined every year by a third-party auditor.

After assessing all our activities, we create goals and plans on how to improve. In 2015, a third audit was carried out for the Head Office, while it was the second audit for the majority of our repair shops. During 2015 we opened three more stores, and the goal is to get them up and running so that they are ready for their first audit in fall 2016.



Implementing this was a natural step in the development of our environmental and CSR work. We want to be able to have control of and insight into not only our production chain, but also our own stores and Head Office. It is important to understand that our own day-to-day work also makes an environmental impact, and to explore ways of reducing it. To work with environmental certification and perform an audit every year is one way to keep that work alive and developing.

## LOOKING FORWARD

We are proud to be where we are today. But we are where we are because we have never hesitated in trying out new ideas, to welcome creative thinking, not only from the management but from everybody working with us. Some decisions we have taken have changed over time, while others – which seemed crazy at first glance – have proven to be the best we have made. We are not afraid of trying – we think this is the best way to develop. And we know that we are standing on solid ground. Looking forward, we have goals to work towards and challenges to work with. We do this with both enthusiasm and excitement, because we can never know for sure what the future will bring, but we know that it will be something good!

### GOALS

We have come a long way, but there are always things we can do better. And when the industry is developing, we also need to develop in order to stay in the front line.

These are our goals for the coming years:

- We want to continue to develop – and launch our traceability project. The goal is to make it possible for customers to be able to trace their specific garment back to a batch level, which means having access to information on exactly where and when the garment was made.
- We want to increase our sale of second-hand jeans and develop the concept to include more garments than jeans. Because prolonging the lifetime of a garment is an unquestionable way of reducing the environmental impact of the garment.
- We want to increase the use of sustainable materials in our collections, and we want all our cotton products to be made from 100% organic cotton.
- We want to continue being the frontrunner when it comes to transparency; and by continuing to share our knowledge and being part of collaborations lead the industry to further development within the use of sustainable materials and reduction in the use of chemicals.

### CHALLENGES

The future always brings challenges. For us, these are the most important challenges that we face going forward:

- One of our main challenges is to develop our recycling program, where we can upscale the recycling of jeans at the same pace as we are growing and selling more jeans. We would like to be able to guarantee traceability and transparency, even in the recycling program, in other words we want to be sure that the organic cotton can be handled separately and that we can continue to take responsibility for the recycled product.
- We need to continue to spread the word about what we are doing so that we can prolong the life of more jeans, receive a higher number of reused jeans, thus decreasing the risk of jeans being thrown away in the garbage.
- We need to continue to develop our living wages project, to examine which other suppliers would benefit from the project, and how to develop and adapt the project to different suppliers and countries.



## THANK YOU!

You have just read Nudie Jeans' first sustainability report. We are happy to be able to share all of this with you and we are excited about continuing this work in the future. If you have any questions or concerns regarding our sustainability work that you were unable to find an answer to in this report, we would be happy to help you via email ([csr@nudiejeans.com](mailto:csr@nudiejeans.com)).

We are looking forward to yet another exciting year ahead!

