

NUDIE JEANS

Responsible Business Conduct Policy

Nudie JEANS co



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The purpose of the Nudie Jeans Responsible Business Conduct Policy is to define a framework for our business practices upstream and downstream. The framework will help us to navigate our work as responsibly as possible. The Nudie Jeans Responsible Business Conduct Policy ensures that our business contributes to lesser environmental and social impacts as much as technically, economically, and practically possible within the scope of our business. Nudie Jeans engagement stretches beyond national and EU legislations for production performances and is materialized by endorsing voluntary schemes that support more sustainable practices where possible.

The Responsible Business Conduct is a complement to policies listed below and aims to reaffirm our commitment to conscious and liable business conduct in full respect of the key principles introduced in our full policy portfolio including:

- Internal Sourcing Policy
- Climate Policy
- Code of Conduct
- Living wage policy
- Chemical policy
- Transparency policy
- Human Right Policy and anti-slavery statement
- Animal Welfare Policy
- Sustainable Material Tool
- Travel Policy
- Internal Purchase Policy
- Anti-corruption Policy

The Nudie Jeans board of directors has overall responsibility for Nudie Jeans' environmental and social work.

Nudie Jeans commitment

The Responsible Business Conduct Policy applies to all of us: employees, directors, and members of the board as well as contractors, consultants, and freelancers working as part of our operations. Violations of our Responsible Business Conduct Policy, including violations of any Nudie Jeans policies and instructions, will not be accepted.

- We commit to following the policies listed above and specified below, and the work procedures that will follow to comply with these policies.
- We commit to promote gender equality and empowering women in our supply chain through our programs, on living wages, leadership, and social dialogue as supported by the Living wage Policy and Code of Conduct.

- We commit to encouraging worker representatives to participate in audits, meetings, and discussions with the management wherever it is relevant as per the Code of Conduct and Fair Wear Foundation's (FWF) Code of Labour practice.
- We commit to facilitating training for implementing democratically elected worker's committees as per the Code of Conduct.
- We commit to reducing the use of harmful chemicals in production as listed in the Chemical Policy.
- We commit to support the transition to renewable energy in the supply chain as listed by the Climate Policy.

In addition, we have listed other commitments that fall under a responsible business:

- We commit to optimize the circular business areas, including our repair, reuse and recycle activities, and assessing the social and environmental aspects of the reverse supply chain.
- We commit to shared responsibility and dialogue on production planning and capacity with our supply chain partners.
- We commit to working toward equality between genders in terms of pay for similar roles, positions, and advancement at our offices as well as in the supply chain.
- We commit to increase our knowledge on our business' biodiversity impact and to build strategies to reduce the negative impact and to increase the positive impact on biodiversity.
- We commit to assessing water use in our production and to strive to reduce the water use by promoting more efficient water processes as well as the use of high-quality water treatment plants.

Nudie Jeans' respects the rights under the United Nations' Universal Declaration of Human Rights, The Core Conventions of the International Labor Organization, The OECD Guidelines for Multinational Enterprises, The Fair Wear Foundation Code of Labour practices and to follow the chemical legislation of the European Union.

Beyond the compliance obligations Nudie Jeans' have set up, we are committed to meet the binding requirements between us and all relevant parties connected to the binding requirements. Such requirements include legal and regulatory requirements, customer relationship requirements, network, coalition, and collaborative requirements.

Risks management

From the Human rights Due diligence perspective, the salient risks we identified, but not limit ourselves to are: child labour; discrimination; gender equality, forced labour; excessive hours of work; work-related and health; violations of the right of workers to establish or join trade unions and representative organizations of their own choosing and the right of workers to bargain collectively; non-compliance with minimum wage laws and wage levels that do not meet a living wage level to meet the basic needs of workers and their families; discrimination; hazardous chemicals; water treatment and water consumption; water pollution; greenhouse gas emissions; loss of biodiversity, bribery and corruption. These salient risks are mainly associated with suppliers within tier 2, 3 and 4 in the upstream supply chain.

Nudie Jeans' collect third-party data on human rights and environmental risks through reports, coun-

try studies, and local staff. In our Human Rights -, and Environmental Risk Assessments we evaluate the risks connected to our business on various levels, such as the country, sector, business model, sourcing model, process, material and product level.

The Nudie Jeans' sourcing strategy together with the supplier evaluation process is fundamental in monitoring the environmental, climate, democracy, social and human rights risk per country and ensures the supplier's capabilities and capacity meet our requirements in order to set up the foundation for long-term business relationships, manage expectations and reach our goals.

Responsible Purchasing

Nudie Jeans' aim is to reach long-term sustainability both in the upstream and downstream supply chain. By setting responsible procurement standards, collaborating, innovating, and embedding sustainable sourcing and purchasing. Responsible Purchasing at Nudie Jeans' defines standard methods and procedures for purchasing products and services from different suppliers respecting ethical standards. Responsible purchasing practices at Nudie Jeans strives to include:

- Order and material forecasts
- Transparent product costing and a fair price for the products we purchase
- Discussions on delivery dates before and at order placement

Compliance with this policy is mandatory throughout all the steps of the garment supply chain where we make a direct purchase. Moreover, noncompliance with it could lead to action including termination of the supplier agreement. The Product development and production department are responsible for maintaining and implementing the processes defined in this policy.

Nudie Jeans strongly encourages transparency at every level and therefore also in costs and purchasing practices for production and certified fabrics. In order to prevent negative impacts and measure the development, Nudie Jeans' applies assessment methods and performance indicators, monitors operational practices, learns from experience, and improves continuously.

Expectations of employees and supply chain partners

Employees are expected to read, understand, and follow our Responsible Business Conduct Policy, external and internal policies. Employees should also be transparent in any decisions and actions taken. Employees should never use their position, company assets, or deals for private gain.

We expect our suppliers and sub-contractor to meet specific ethical and environmental standards in order to have a proficient and fair collaboration. We encourage our suppliers to identify and develop ongoing performance improvements, promoting sustainable business practices throughout the entire supply chain, as per all the goods and services purchased for, and utilized in our production.

For both new and existing supply relationships, compliance with the Nudie Jeans Code of Conduct, Chemical Policy and Transparency policy is essential. Our Code of Conduct is based on the Fair Wear Foundation Code of Labor Practice and reflects our commitment to acting ethically and with integrity in all our business relationships. The requirements stated in our Chemical Policy are set in line with best practices within the textile industry and legislation in our sales countries in and outside the EU.

Our Transparency policy is needed to keep track of the partners in the supply chain. Suppliers and factories must share our non-negotiable values, and transparency and trust within all business relationships is key to implementing and enforcing effective systems and controls to ensure any human right violation is not taking place anywhere in our supply chains. As part of our membership of the Fair Wear Foundation we require all manufacturing units to fill in and sign the FWF Questionnaire, the supplier thereby agrees to be audited by independent third-party social auditors.

Supplier onboarding process

Supplier contracts are fundamental in order to define the general purchasing agreement and the contingency plan to provide a general legal framework to the entire production process and relationship with the suppliers regarding lead time, delivery, and terms of fulfillment, as well as terms of payment.

Nudie Jeans aim to work with suppliers that share our ambitions and values regarding human rights, labor practices, climate, environment, and ethics. Nudie Jeans has developed a scoring system to evaluate suppliers; the primary preference is always to source from existing suppliers. Nudie Jeans strives to maintain long-term relationships with our primary suppliers, based in a limited number of countries. We might occasionally have to re-think the product, design, or details to achieve this goal. We must also take responsibility for sustainable quantities and lead times in the supply chain.

Prevent negative impacts

Implementing improvement and prevention programs together with suppliers and worker representation is essential to comply with responsible purchasing practices. To ensure compliance and improvements of Nudie Jeans sustainability-related policies, constant consultation of all the stakeholders involved and a strict monitoring and evaluation system is done.

Supplier assessment is fundamental to identifying issues and preventing negative impacts. Staff training and suppliers' awareness can help both the brand and the supplier itself; the development of the working force is fundamental for fair working conditions, a possible energy transition, the implementation of resource-effective processes as well as the quality of the production.

To prevent negative impacts throughout the supply chain, we practice responsible production planning, meaning that we discuss the capacity of our supplier and, with the updated assortment plan, including a permanent collection, be able to have a stable production flow. This approach allows us to share responsibilities with suppliers and raise awareness of transparency and social and environmental compliance.

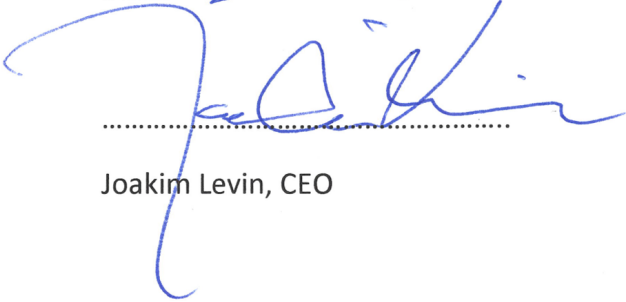
We also commit to using our position to influence stakeholders and politicians for a more sustainable textile industry while actively collaborating with value chain stakeholders and partners, including other producing brands.

Reporting

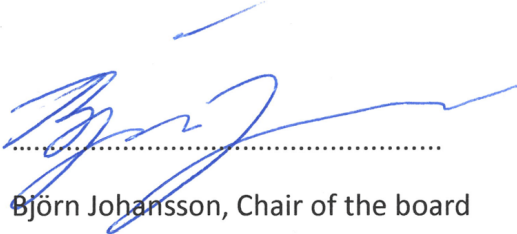
We monitor, measure, and review our sustainability performances regularly through our annual GRI-referenced sustainability report, including the Sustainable Development Goals framework, the annual review of the Nudie Jeans environmental management system, the annually reviewed emission calculation, the Higg Brand and Retail Module, and the yearly Brand Performance Check by the Fair Wear Foundation. We ensure our progress by creating adequate and challenging goals and strategies moving forward.

Nudie Jeans Marketing AB

Date: 2022-12-15



Joakim Levin, CEO



Björn Johansson, Chair of the board