

THE NAKED TRUTH ABOUT NUDIE JEANS

SUSTAINABILITY REPORT 2023

Nudie JEANS co

Table of Contents

00. Highlights 2023	3	03. Products and User-phase	67	05. Nudie Jeans as a workplace	93
Timeline	4	Repair Shops.....	68	06. Financial information	96
The world of Nudie Jeans	5	Break in	72		
Reflections on 2023 and the future	6	Repair	73	07. Next steps forward	97
Company strategy and governance	7	Reuse	75		
Due diligence	8	Recycle.....	76	08. Reporting structure	99
External policies and strategy documents	9	Rental	77	Appendix 1 – Abbreviations and glossary	105
Internal policies and guiding documents	9	Repair Partners	78		
Nudie Jeans Value Chain.....	10	Unsold and faulty garments.....	79		
Sustainable Development Goals (SDGs)	11	Bags and packaging.....	80		
		Customer experience and e-commerce returns.....	81		
01. Materials	14	04. Communication and Collaboration	84		
Nudie Jeans Material Tool.....	17	Partnerships.....	87		
Fibers	19	Support your local heroes	89		
Biodiversity	28	Industry benchmarking	90		
Certifications.....	30	Research and innovation	91		
02. Production	31				
Working conditions at our suppliers	33				
Audits and trainings.....	36				
Right to a living wage.....	39				
Purchasing practices	42				
Social dialogue	43				
Grievance system	45				
Supply chain transparency.....	46				
Chemicals	49				
Water.....	50				
Climate	53				

!
Standpoint
Throughout the report you will find orange text boxes marked with an "!", in these we want to show our standpoint on a specific subject.

i
Information
Throughout the report you will find blue text boxes marked with an "i", in these we want to inform about a specific practice or subject.



Nudie Jeans in short

Nudie Jeans is a denim brand founded in Gothenburg, Sweden in 2001. With wear, tear, and repair-way of thinking rather than fast fashion, the Swedish denim company provides and maintains a tradition true to the fabric's history and characteristics. Nudie Jeans is sold in Nudie Jeans Repair Shops, online, and at third-party resellers. Nudie Jeans is sold on more than 50 markets.

The reporting organization is the group of companies where Nudie Jeans AB is the controlling company. For 2023, the company group included twelve legal entities, where Nudie Jeans Marketing AB is the buying party for all organizations. In 2023, sales for the reporting organization amounted to SEK 483 million, which was a decrease from 2022 by 2%. 4,8 million sek came from circular business models, which stands for 1 % of Nudie Jeans' total revenue. For further reading, see chapter 06. Financial information.

During 2023, the shares in Nudie Jeans AB were indirectly controlled by Maria Erixon Levin and Joakim Levin, with Joakim holding the majority of the shares.



Highlights 2023



Reduction of CO2e emissions

A total reduction of 22% CO2e emissions (user phase excluded) 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

In 2023 we repaired 73,368 jeans.

93% organic, certified, or recycled fibers

Of all fibers we used in 2023, 93% 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.

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

Good!

We were ranked as Good in FWF benchmarking

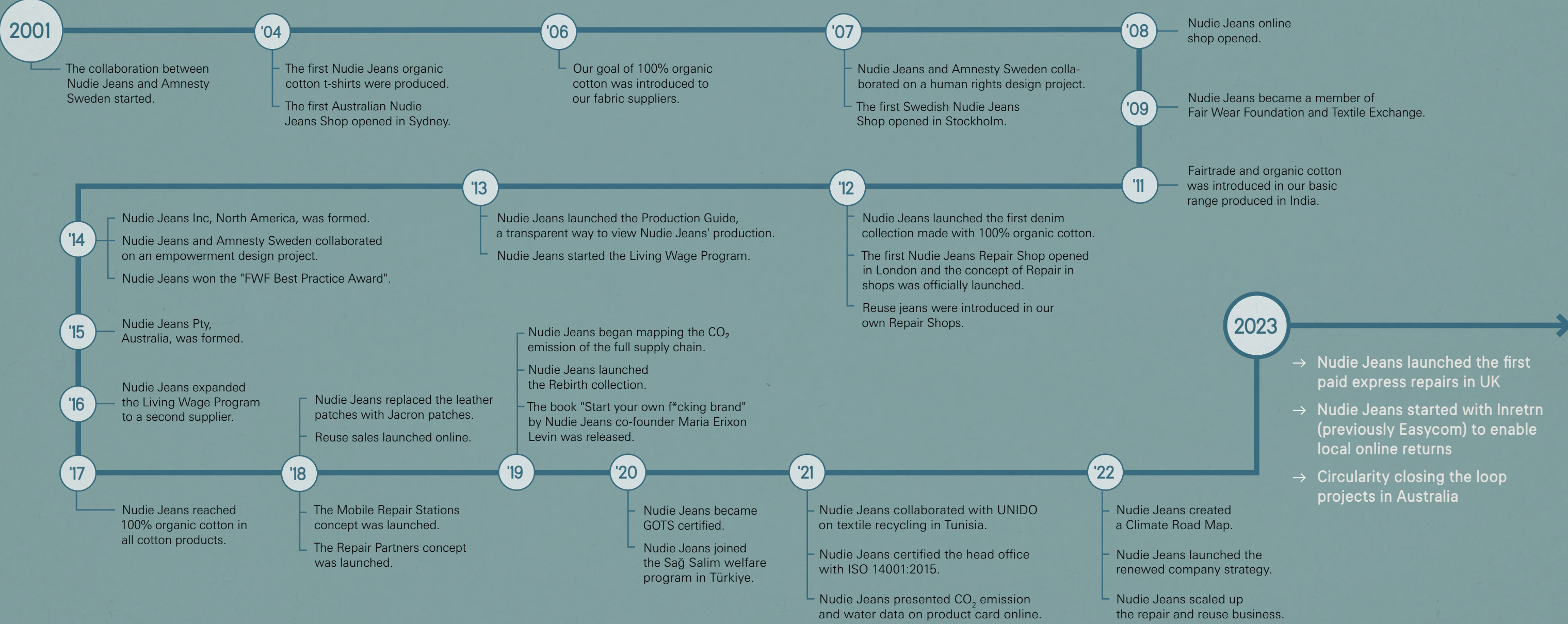


Scaling up our reversed supply chain

In 2023 we continued our Repairs and Re-use development through our Scottish circularity partner ACS and run a Re-use pilot in Sweden.



The Nudie Jeans timeline



The world of Nudie Jeans

● **Repair Shops**
 29 shops in 19 cities

● **Repair Partners**
 x19

● **Production**
 Countries x22

Production Countries	1 Australia	2 Austria	3 Denmark	4 France	5 Germany	6 India	7 Italy	8 Japan	9 Lithuania	10 Poland	11 Portugal	12 Romania	13 Spain	14 Sweden	15 Tajikistan	16 Tanzania	17 Thailand	18 Tunisia	19 Türkiye	20 Uganda	21 The UK	22 USA
Suppliers in Tier 1	1	—	—	—	—	3	1	—	1	2	7	—	—	1	—	—	—	1	2	—	1	—
Suppliers in Tier 2	—	1	2	1	1	9	14	6	—	1	6	—	—	2	—	—	—	1	14	—	—	—
Suppliers in Tier 3	—	—	—	—	—	4	3	3	—	1	1	—	1	—	—	—	1	—	6	—	—	—
Suppliers in Tier 4	—	—	—	—	—	8	—	—	—	—	—	1	—	—	1	1	—	—	3	1	—	1
Total suppliers	1	1	2	1	1	24	18	9	1	4	7	1	1	3	1	1	1	1	25	1	1	1
Total production sites	1	1	2	1	1	31	24	16	2	4	14	1	1	3	1	1	1	6	28	1	1	1
No. of Employees	No data	3,278	No data	92	66	7,353	1,235	1,775	426	64	1,898	No data	No data	28	No data	No data	482	2,517	7,148	No data	197	No data
No. of Women / Men	No data	2,656/622	No data	53/39	49/17	3,317/3,456	564/657	1,075/551	74/352	30/34	1,019/881	No data	No data	7/21	No data	No data	143/339	1,435/1,082	3,098/384	No data	95/102	No data

Tier 1: Garment manufacturing and refurbishment processes: sewing, knitting, laundry, embroidery, printing, dyeing, press and packing, repairing.

Tier 2: Fabric processes: weaving, knitting, dyeing, printing, trims.

Tier 3: Fabric preparation processes: spinning, shredding

Tier 4: Raw material production incl. ginning.

Reflections on 2023 and the future

The year 2023 marked another milestone in our sustainability journey, where challenges were met with resilience, and innovation became the driving force behind our commitment to a more sustainable future. Despite the world facing extraordinary events, our organization stayed focused on our strategic goals.

The global landscape saw increased costs and inflationary pressures affecting businesses across industries. Despite these challenges, our commitment to sustainability remained strong. Instead, we optimized our organization for strategic resilience, identifying opportunities to streamline processes and enhance efficiency. This strategic approach allowed us to navigate the economic uncertainties while maintaining our commitment to responsible practices.

In response to the changing economic climate, we undertook a comprehensive review of our organizational structure. Our aim was to optimize our operations, ensuring that every aspect of our business aligned with our strategy moving forward.

Recognizing the importance of the circular economy, we intensified our efforts in the repair and reuse sector. A milestone was our first paid express repair in our London store; the future will tell if this will succeed. Our repair and reuse business

not only contributed to reducing waste but also resonated with environmentally conscious consumers, fostering a deeper connection with our brand.

Collaboration emerged as a key driver in our pursuit of circularity. We actively sought strategic circularity partners who shared our vision and values, believing that collective efforts are essential for achieving lasting change. The research programs of Systemdemonstrators were initiated and granted funding, to showcase the feasibility and benefits of circular systems, emphasizing the potential for broader industry adoption. By building alliances, we aimed to create a ripple effect, inspiring others to join the journey towards a circular economy.

Our commitment to sustainability extended to the very core of our operations. The Easycom platform facilitates seamless returns, reducing the environmental impact associated with reverse logistics. In a bold move towards reducing our carbon footprint, we explored sustainable transportation options. Boat transport to Australia is one of the most important actions in our climate action roadmap, offering a unique advantage in terms of environmental impact. This initiative is not only aligned with our commitment to responsible logistics but also to sustainable supply chain practices.



As we reflect on the challenges and wins of 2023, it is clear that sustainability is not just a commitment but a journey of continuous improvement and innovation. Our focus on optimization, circularity, and strategic partnerships has set the direction for a more sustainable and resilient future.

Nudie Jeans Management

Sandya Lang
CSO

Malte Ramberg
CFO

Maria Johansson
COO

Joakim Levin
CEO

Martin Gustavsson
CCO

Company strategy and governance

For us, sustainability is not just about the environment or the social aspects of the supply chain. It is a way to manage a company and a brand.

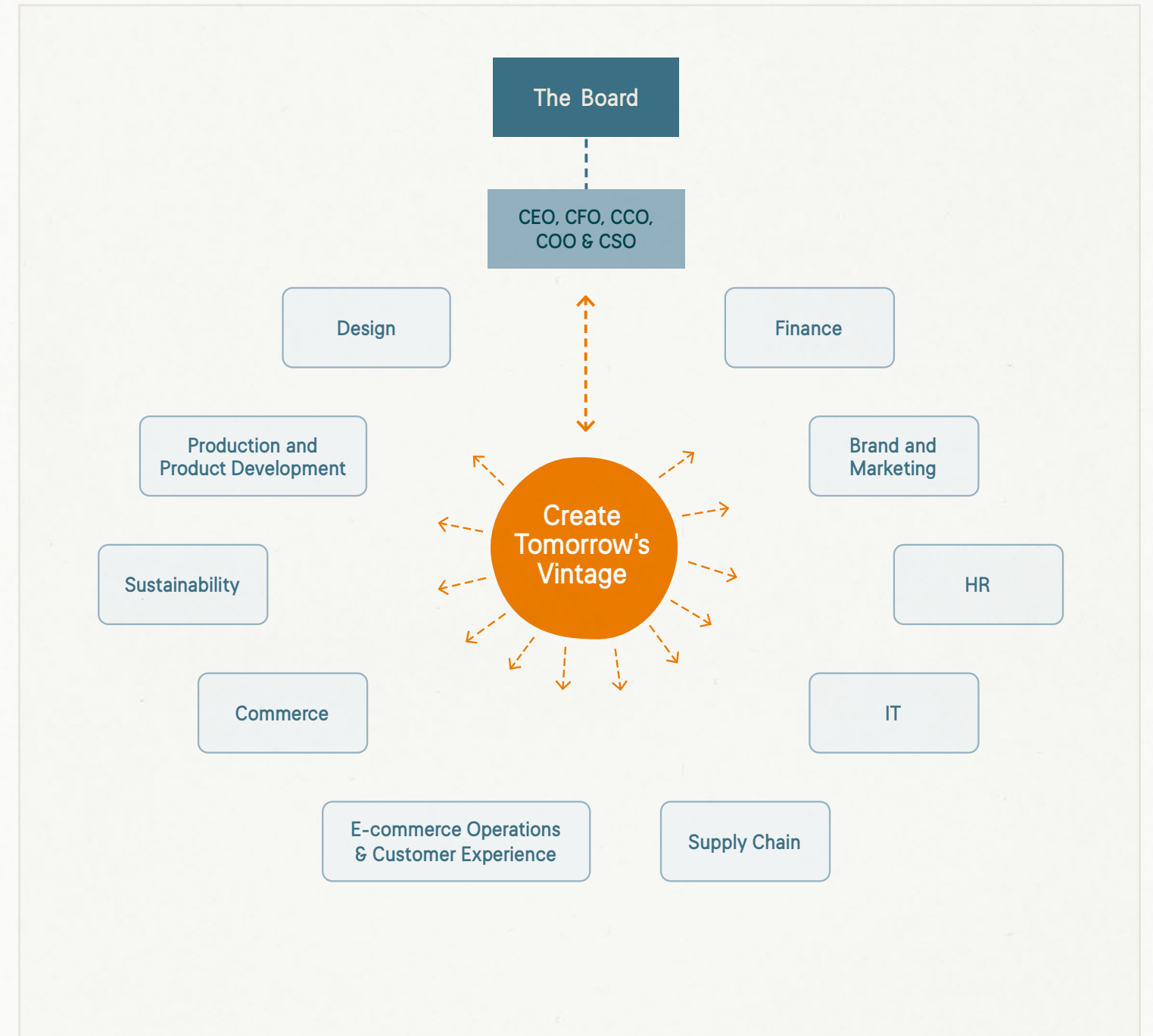
In 2023, we continued to work with Nudie Jeans renewed strategy, Create tomorrow's vintage. This idea relates strongly to our heritage, future products, sustainability and the co-creation process with our customers. During the year, in collaboration with departments, we explored the meaning of this idea to identify activities that supports the strategy. We also made impactful decisions aligning with the strategy focusing on long-term sustainable growth.

The development and clarification of the strategy, in combination with high cost awareness also led to some changes in the organization in 2023.

The management group consists of the Chief Executive Officer, Chief Finance Officer, Chief Operations Officer, Chief Creative Officer, and Chief Sustainability Officer. In addition, we have three operational management divisions, including the Brand, Operational, and Sales groups consisting of department managers.

In 2023, the sustainability department at Nudie Jeans consisted of four full-time employees covering social, environmental, and circular compliance in collaboration with different departments, as well as the Chief Sustainability Officer.

If you have any comments, questions or feedback, please contact us at sustainability@nudiejeans.com



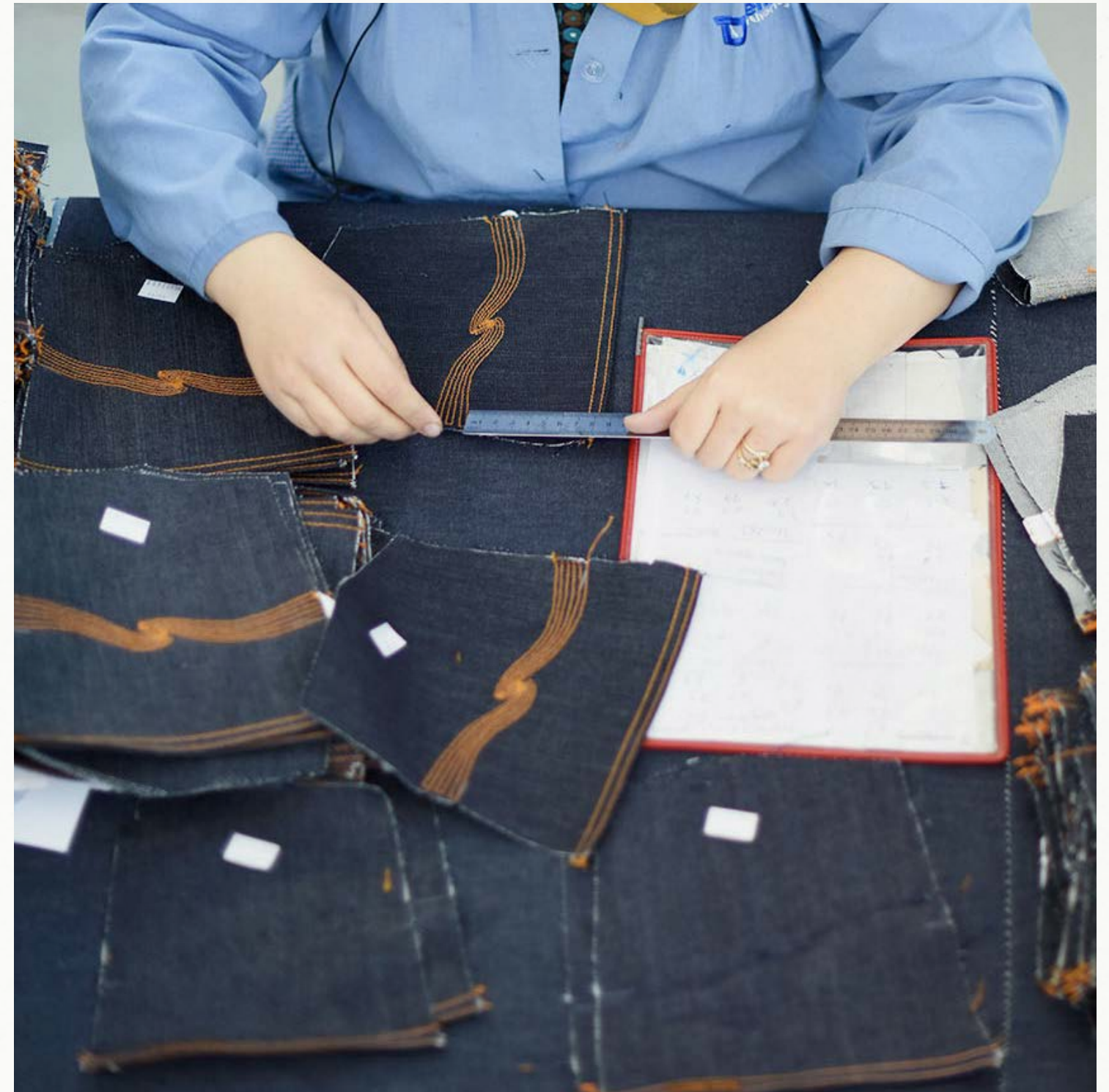
Due Diligence

The Responsible Business Conduct Policy outlines Nudie Jeans' commitment to minimizing negative environmental and social impacts 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 risk assessments and action 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, human rights and labour rights at country and supplier level.



External policies and strategy documents

We have several external policies that primarily serve as a framework and guidance for our daily sustainability work, with direct resourcefulness in design, product development, logistics and supplier processes. Each policy is linkable for further reading.

- [Animal Welfare Policy](#)
- [Chemical Policy](#)
- [Climate Policy](#)
- [Code of Conduct](#)
- [Human Rights Policy](#)
- [Living Wage Policy](#)
- [Nudie Jeans Material Tool](#)
- [Sourcing Strategy](#)
- [Responsible Business Conduct Policy](#)



Internal policies and guiding documents

In addition to the externally published policies, we internally work with numerous policies and guiding documents. Each policy is reviewed yearly by the Board. The latest review was at the beginning of 2024. The current policies are:

- Anti-corruption Policy
- Alcohol and Drug Policy
- Crisis Management Policy
- Data Privacy and Whistleblowing policy
- Equality and Inclusion Policy
- Internal Purchase Policy
- IT and user Policy
- Recruitment Policy
- Remote Work Policy
- Salary Policy
- Supplier Exit Policy
- Transparency Policy
- Travel Policy
- Work environment policy



Data privacy

Data privacy is particularly important to Nudie Jeans. The privacy policy is implemented to process personal data by applicable laws and regulations and takes technical and organizational measures to protect personal data. In 2023, we had one registered non-compliance of the Data Privacy Policy.

The provider of our DTC & Wholesale e-commerce platform had a data privacy incident in September 2023. The scope of the incident was confirmed to include personal data related to some of our customers, but there was no evidence of any external party actually accessing any personal data that they process on our behalf,

hence they classified it as potential data breach. Necessary action to secure the data privacy was taken from their side and we notified IMY (Integritetsskyddsmyndigheten) according to Swedish law and our internal procedures.

Whistleblowing

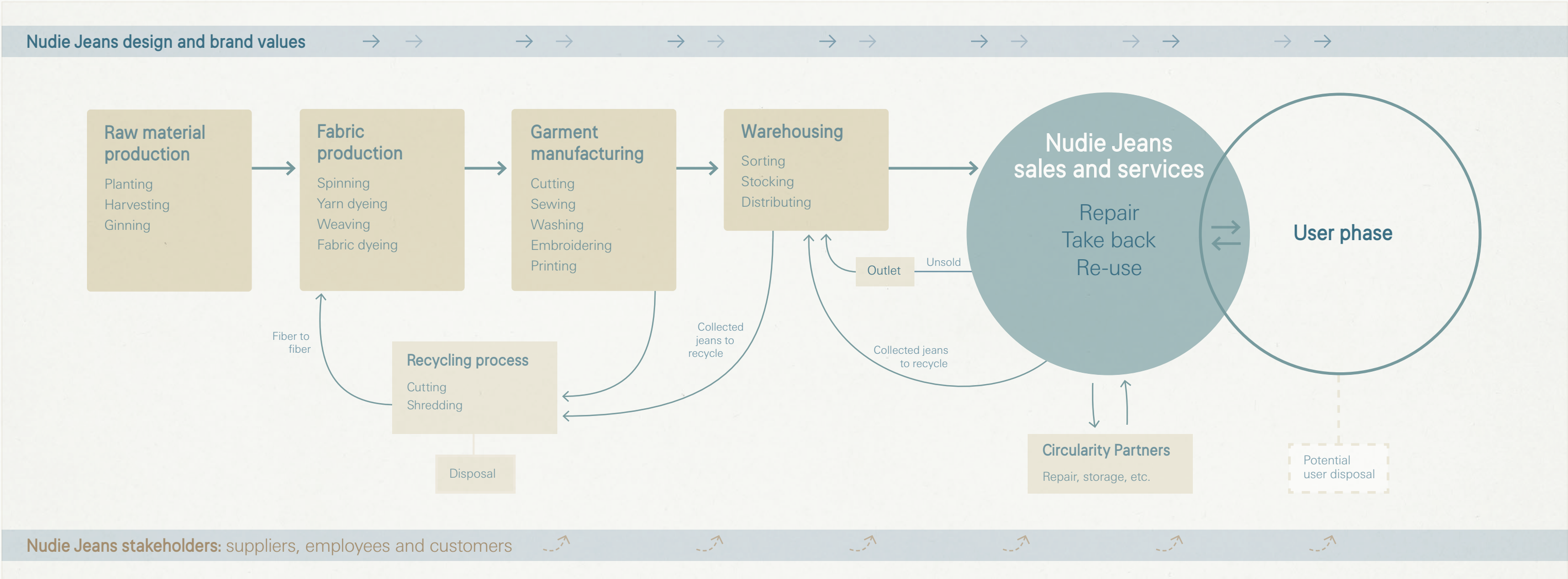
In 2023, 7 cases were reported through the whistleblowing channel, of which 5 of them were related to products/delivery and were sent forward to the customer experience department. The remaining two relevant whistleblowing cases, regarding fraudulent behavior and social compliance in Nudie Jeans organisation, were closed in 2023.

The Nudie Jeans Value Chain

The illustration shows the Nudie Jeans Value Chain and the circular processes for the materials and products. With this illustration, we want to show how our business connects to the lifecycle

of our product and the complexity of a fully circular production process, from raw materials through production, the user phase and finally to a new recycled raw material and product.

It also shows that circularity is not about one circular stream, but many parallel processes.



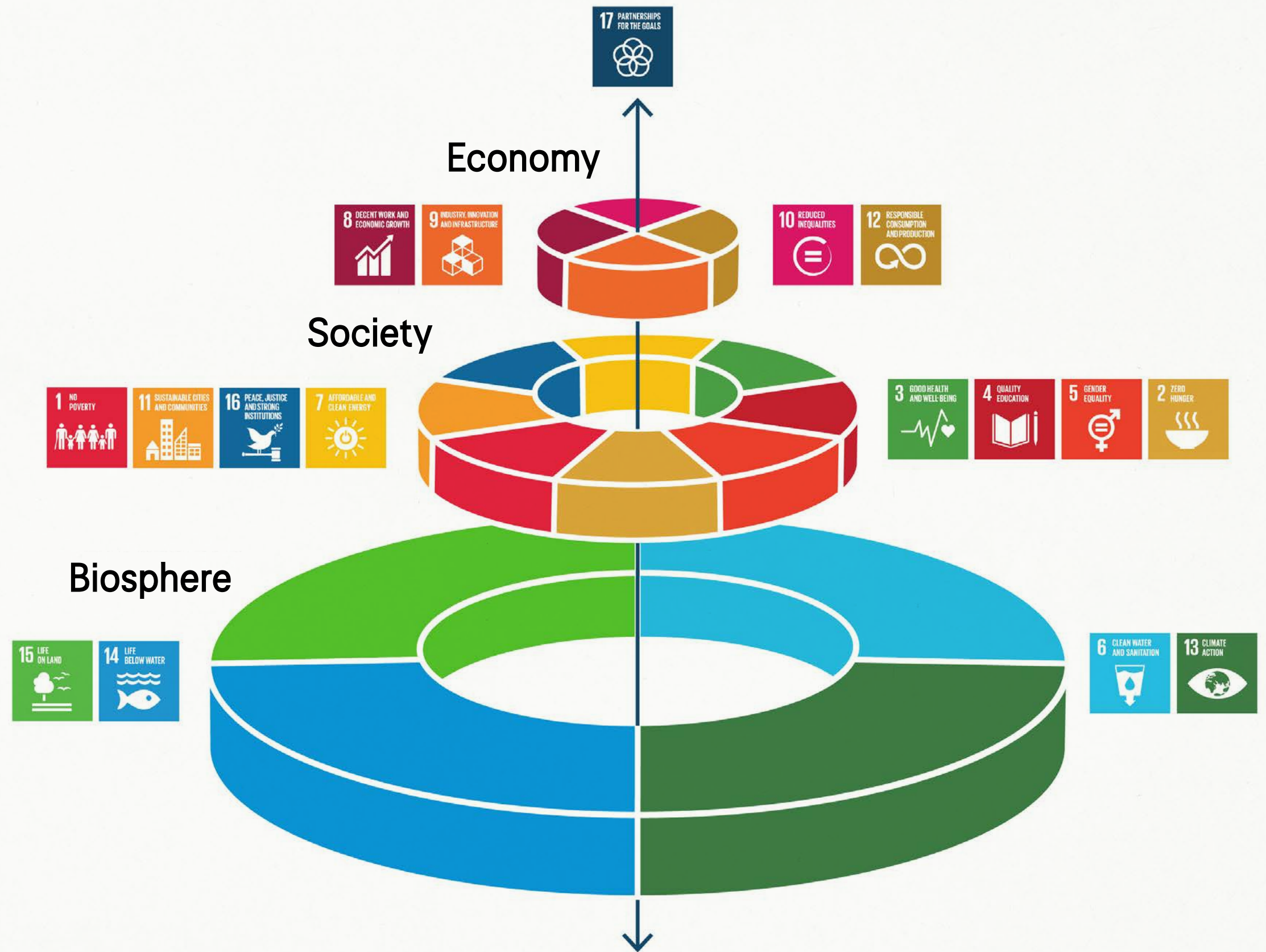
Sustainable Development Goals (SDGs)

"This model changes our paradigm for development, moving away from the current sectorial approach, where social, economic and ecological development are seen as separate parts. Now, we must transition towards a world logic, where the economy serves society so that it evolves within the safe operating space of the planet."

Johan Rockström
 Creator of the SDG model¹ and part of Stockholm Resilience Centre

The SDGs are developed by the United Nations and are part of the 2030 Agenda for Sustainable Development. We have chosen to include the SDG model created by the Stockholm Resilience Centre, because we believe it clearly illustrates the connections between the SDGs and how they serve as building blocks of our reality. The biosphere and its ecosystem services are the basis of our full business, as we rely on flourishing natural resources for our production. Society is where we act and have an impact on our production, products and users. The economy represents the outcome of our business, and partnerships across all levels are needed for successful sustainability initiatives.

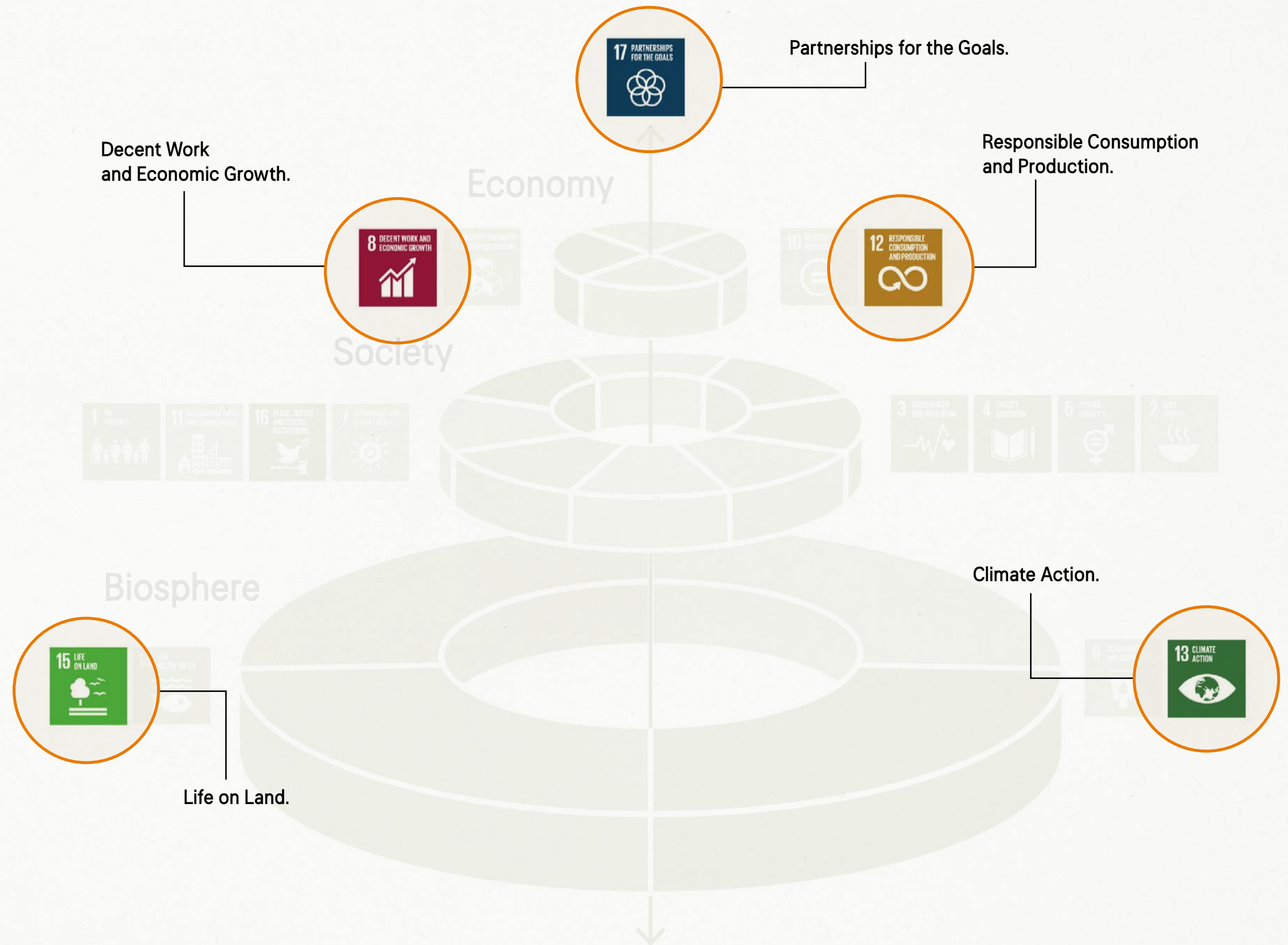
1. Credit: Azote Images for Stockholm Resilience Centre



Prioritized SDGs

Nudie Jeans' prioritized Sustainable Development Goals are SDG 8, 12, 13, 15 and 17, because they capture the areas in which we have the largest impact. The SDGs are interconnected, and we acknowledge that our business affects more goals than our most prioritized SDGs. Our prioritized SDGs are placed in the Biosphere and the Economy levels of the above model, where SDG 17 runs through all levels. This reflects our business ambition of selling the best possible product, made with sustainable raw materials reliant on a healthy biosphere, and in line with a sustainable economic system that enables good working conditions and generates responsible consumption. With our core business' direct impact on the above mentioned SDGs, and with support of our numerous collaborations, we also have an indirect impact on the society, and the SDGs in the Society level of the model, which is shown throughout the report.


On the next page the SDGs are in relation to the identified targets and our activities and impact connected to each goal.



Nudie Jeans actions mapped to SDG targets.
The symbols below characterize the impact of the actions.



DIRECT
POSITIVE


INDIRECT
POSITIVE



NO
IMPACT


POTENTIAL
NEGATIVE



DIRECT
NEGATIVE

 **1.1 Eradicate extreme poverty**
1.2 Eradicate national poverty
+ Living wage | Fairtrade cotton premium




 **2.5 Diversity of seeds**
+ Chetna Organic cotton in India




 **3.9 Reduce the number of death and illnesses from hazardous chemicals and air, water and soil pollution**
+ Organic cotton | Water treatment plants | Sağ Salim project

- The lack of use of personal protection equipment can potentially impact the employees


 **4.3 Access to higher education**
4.4 Relevant skills for employment
+ Supplier training | Internal staff training | Management training




 **5.1 End all forms of discrimination**
5.2 End violence
5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making




+ Living wage | Internal non-discrimination policy | WinningTemp | Female Supervisor Training

 **6.3 Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials**
6.4 Increase water-use efficiency across all sectors
6.6 Protect ecosystems
+ Water treatment plants | Organic cotton
Water risk analysis




 **7.2 Renewable energy**
+ Wind power at suppliers | Renewable energy in Repair Shops and head office
- Nudie Jeans lack direct impact on suppliers' decision to transition to renewable energy.

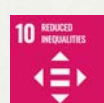
 **8.5 Full and productive employment and decent work**
8.7 Eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor
8.8 Secure working environments
+ Fair Wear Foundation and trainings | Internal policies for a better working environment » | Sağ Salim project


- In part of the supply chain with low transparency, we can assume that we have a potential negative impact

 **9.3 Small-scale enterprises**
+ Chetna Organics


 

 **10.3 Ensure equal opportunities and reduce inequality**
10.4 Wage protection policies
+ Living wage | Fair Wear Foundation and trainings | Equality plan | Fairtrade cotton premium | Recruitment process




 **No action.**




 **12.1 Programs on sustainable consumption and production**
12.2 Use of natural resources
12.4 Management of chemicals
12.5 Reduce waste
12.6 Adopt sustainable practices and integrate sustainability information into the reporting cycle
12.8 Information and awareness of sustainable development
+ Fair Wear Foundation | Circular activities | Chemical work | Communication | Organic cotton | Recycling in Tunisia | Product transparency | Textile Exchange | Fur free alliance | RISE | Certified to LAST | Innovative Systemdemonstrations
- We lack the infrastructure to sell all leftover products, and we lack possibility to recycle all our second choice garments and production waste.

 **13.2 Integrate climate change measures into policies, strategies and planning**
13.3 Improve education awareness raising
+ Educating our customers and suppliers | Climate mapping (scopes 1, 2, 3 | Actions to reduce CO2 emissions | STICA
- Nudie Jeans lack direct impact on suppliers' decision to create climate strategies including emission reduction actions.


 

 **14.1 Prevent and reduce marine pollution**
+ Guppy Friend washing bag | Water treatment plants
- We have some fabric blends with polyester or elastane, which can potentially have a negative impact if releasing microfibers

 **15.2 Sustainable management of all types of forests**
15.5 Halt the loss of biodiversity
+ Organic cotton | TENCEL™ Lyocel | Textile Exchange | Business and Biodiversity Network | Mistra BIOPATH
- In part of the supply chain with low transparency on biodiversity we can assume that we have a potential negative impact

 **No action.**



 **17.9 Capacity building**
17.16 Multi-stakeholder partnerships
17.17 Encourage partnerships
+ Fair Wear Foundation | Fairtrade | STICA | Textile Exchange | Rise | Certified to LAST | Innovative Systemdemonstrations | Steering group 2030 Textile and Fashion | Bachelor and Master Thesis | Business and Biodiversity Network | Mistra BIOPATH | School of Economics, Gothenburg University and Centre for Retail Research, Lund University



Materials

RISKS AND CHALLENGES	ACTIONS	GOALS
Environmental impact of raw materials.	Upholding the high percentage of Nudie Jeans' preferred fibers, e.g. certified virgin fibers or recycled fibers by creating internal steering KPIs and targets per product groups.	Meet increased requirements of share of preferred fibers per product group with start from Drop #1 – 2025
Better understanding of Nudie Jeans' impact on biodiversity and reduce negative impact where possible.	Investigate the impact of, and the possibility to work with, regenerative organic cotton.	Develop and launch products made in Regenerative Organic Cotton for collections in 2025
Fiber integrity.	Started the process of becoming GOTS-certified as a Brand to be able to sell GOTS-certified products with a fully certified chain of custody.	Nudie Jeans GOTS certified in 2024.

Nudie Jeans endeavors to take responsibility for the full product, which means we want to take responsibility from the growing and extraction of the raw material to the end of life of the product. Nudie Jeans' core products are largely characterized by timeless design. We want to create classic and seasonless garments, clothing you want to wear every day and keep over time; garments that last, and garments that can live through repairs. Long before circularity became a buzzword, we focused on longevity and knew that garments you love – you keep. We believe that denim is a material that becomes more beautiful with time. Starting with a pair of dry denim and wearing them every day will produce the most beautiful and personal wear and tear, and the jeans will tell the story of the life you spent wearing them.

Exploring new sustainable fabrics and fibers is also part of the design process at Nudie Jeans – working closely with our fabric suppliers, adapting new developments, and keeping track of new technologies.

“ Organic cotton have lower impact on global warming than conventional cotton² ”

In 2023, our total fiber use decreased by -6% compared to last year. This decrease in total fiber use reflects the trend of decreased production and sales in 2023. However, 2023 was also the

first year we included data from our zipper supplier, resulting in increased volumes of metals.

The largest environmental impact of products comes from the raw material stage and fabric production. In conventional cotton farming, hazardous chemical pesticides, and fertilizers, are often used and cause significant health risks for farmers and the environment. When working with virgin cotton, we only work with certified organic cotton as a first step to mitigate the environmental impact at the fiber level. Studies have also shown that organic cotton has a lower impact on global warming compared to conventional cotton² Our first milestone was reached in 2012 when all Nudie Jeans' denim was made with organic cotton, and the journey has continued since then. In 2017, we reached the same



The SDGs in each chapter are illustrated by the importance of the goal, where the main SDG is displayed in a larger size and the associated SDGs are smaller, based on the significance for Nudie Jeans' impact.

Our main partnerships in this field:

- Chalmers University of Technology
- Chetna Organic
- Textile Exchange
- Mistra BIOPATH

goal for the rest of our product groups and we are not turning back.

Choosing organic cotton means we take responsibility for our impact on biodiversity and for the ecosystem services that create and maintain ev-

2. Advancing Organic to Mitigate Climate Change. Knuth, B., DeBates, M., Mirenda, J, & Shade, J. (2020). Washington, DC: Organic Trade Association

everything we need for our own survival, and for the survival of our business. We recognize that the loss of ecosystem services always has the greatest and harshest impact on people who already live in poverty. Therefore, we constantly endeavor to learn more about the impact of our business and to choose raw materials that do not increase the risk of biodiversity loss.

Through our material analysis and due diligence work, we have identified several risks for our fiber use, some are universal while others are fiber specific, further down in the chapter we have specified the risks, challenges, and mitigation activities we work with per fiber type. Other risks we have identified as important to work with are fiber integrity risks, consequences of climate change such as flooding or extreme heat, as well as raw material availability and lack of traceability.



Chetna Organic

For our shirts and jersey products made in India, we procure Fairtrade and organic cotton through the organic cotton cooperative Chetna Organic Agriculture Producer Company Ltd³. The cooperative supports farm associations with information about organic farming methods, seed developments and expanded livelihood options. By purchasing organic cotton from Chetna, Nudie Jeans indirectly also supports the farming families' possibility to strengthen their livelihoods. Organic cotton farming methods do not permit any chemical pesticides or fertilizers. Because the soil is not contaminated by toxic chemicals, it is possible to grow vegetables and other crops between harvests in the same fields, or as intercrops that share the field with the cotton. Planting intercrops, such as maize and red gram, is a common practice for many farmers who are part of Chetna Organic.

Our close collaboration with Chetna Organics enables pre-financing of cottonseeds and forecasting of cotton volumes. This arrangement also helps us mitigate risks related to organic cotton availability. Through forecasting of our cotton procurement as well as the pre-financing of seeds, we have secured our Fairtrade cotton availability.

Farmers connected to Chetna Organic receive a direct premium of 10% in addition to the Fairtrade premium that is intended for the development of villages, while the Chetna premium works as a direct incentive for farmers to continue to work in organic farming.

“ Organic cotton farming methods do not permit any chemical pesticides or fertilizers.

Chetna Organic has several development projects. In the last two years one of their focuses was on piloting the implementation of the Regenerative Organic Cotton standard with two farmers' groups, one in Telangana and one in Odisha. The farmers' groups consist of a total of 772 farmers covering an area of 2,300 acres of farmland. Chetna Organic has promoted holistic farming practices for a long time but working according to the ROC (Regenerative Organic Certification) standard is one way to formalize the work and clearly communicate their practices. Chetna Organic also supports a large number of in-transition farmers, meaning farmers that are adapting their farming practices to organic, from conventional. This is an important step in scaling up the supply of organic cotton.

For many years, Chetna Organic has participated in research and development of new varieties of organic cotton. The last years developments made through the decentralized organic participatory breeding program "Seeding the Green Future" by FiBL Switzerland and a number of partner organizations resulted in the availability of two new organic non-GM cotton varieties for farmers. Both varieties are high yielding, were developed under organic conditions, and are suitable for organic, agroecological, regenerative and other low input farming systems.

3. → [Chetna Organic](#)



The Nudie Jeans Material Tool

The Nudie Jeans Material Tool was created in 2018 to help our designers and product developers achieve our vision of using only preferred materials and to clearly show what we consider as preferred fibers and materials. The tool is updated regularly and in 2023 it was revised to better account for the complexity of comparing different fiber types, inspired by the Textile Exchange Preferred Fiber and Material Matrix (PFMM). Our aim is to emphasize the importance of a third party standard system, the benefits of recycled fibers, and our rigorous criteria for selecting the fibers that go into Nudie Jeans products. The evaluation of fibers is also made with inspiration from Made-By's Environmental Benchmark for Fibers, and the Higg Materials Sustainability Index (MSI).

We consider the environmental impact of both raw material and fiber production, and we recognize the impact that each individual production facility of fibers adds in terms of CO2 emissions, which depend on the electricity and fuel sources they use.

Therefore, it is important to continue to engage our suppliers to reduce their emissions and in parallel choose to work with fibers that have less negative impact, and in best cases increased benefits for climate, nature and people.

The Nudie Jeans Material Tool has three categories of fibers: "Preferred", which are the fibers we aim to use the most; "Less preferred", which are the fibers we use in a limited amount and only for certain product categories; and "Do not use", which are fibers that we do not allow in Nudie Jeans products.

Organic cotton vs. BCI?

We do not classify cotton grown in accordance with the Better Cotton Initiative (BCI) principles as preferred as it is neither organic nor traceable. We recognize the need for a scheme to support the change from conventional farming by promoting better practices, but we do not think we can stop there. We have higher ambitions and will not use BCI cotton when we can use organic cotton.



The Nudie Jeans Material Tool

Preferred	Natural Cellulosic fibers	Natural protein fibers	Regenerated Cellulosic Fibers
<p>Class 1 Recycled or Reused biodegradable fibers or Best Practice virgin fibers.</p>	<p>Cotton</p> <ul style="list-style-type: none"> Mechanically recycled cotton (pre- and post-consumer) Reused Nudie Jeans post-consumer products Regenerative organic cotton Certified organic, fairtrade, traceable cotton Certified organic cotton Conventional cotton Better Cotton Initiative (BCI) Fairtrade conventional cotton <p>Linnen, Hemp, Jute, Kapok</p> <ul style="list-style-type: none"> Certified organic or EUROPEAN FLAX® linnen Certified organic or EUROPEAN FLAX® hemp Certified organic jute Certified organic kapok Conventional linnen Conventional hemp 	<p>Wool and animal hair</p> <ul style="list-style-type: none"> Recycled wool, alpaca, mohair Certified wool Certified alpaca Certified mohair Certified yak Conventional, mulesing free wool Conventional alpaca Conventional mohair Conventional yak Conventional cashmere Hair from animals reared in cages Fur, according to the Fur Free Retailer program definition <p>Feathers and Down</p> <ul style="list-style-type: none"> Recycled feathers and down Conventional feather and down <p>Silk</p> <ul style="list-style-type: none"> Certified organic silk Peace silk Conventional silk <p>Leather and skin</p> <ul style="list-style-type: none"> Certified organic and vegetable tanned leather Conventional leather Leather and skin from wild-caught animals, exotic animals or vulnerable and endangered species Leather from aborted animals such as slink, karakul and Persian lamb 	<p>Regenerated Cellulosic Fibers</p> <ul style="list-style-type: none"> Chemically recycled cotton (pre- and post-consumer) TENCEL™ Lyocell FSC® or PEFC™ Pulp Cupro Acetate Viscose Modal
<p>Class 2 Third party certified organic or equivalent, and/or traceable. Recyclable but not biodegradable. For leather: certified organic and fully vegetable tanned.</p>			
<p>Less Preferred</p>			
<p>Conventional virgin fibers, highly processed chemical usage, lack of controlled animal welfare.</p>			
<p>Do not use</p>			
<p>Based on Nudie Jeans Animal Welfare policy and our stand on only using organic cotton, and human made fibers with limited use of harmful chemicals.</p>			

Synthetic Fibers

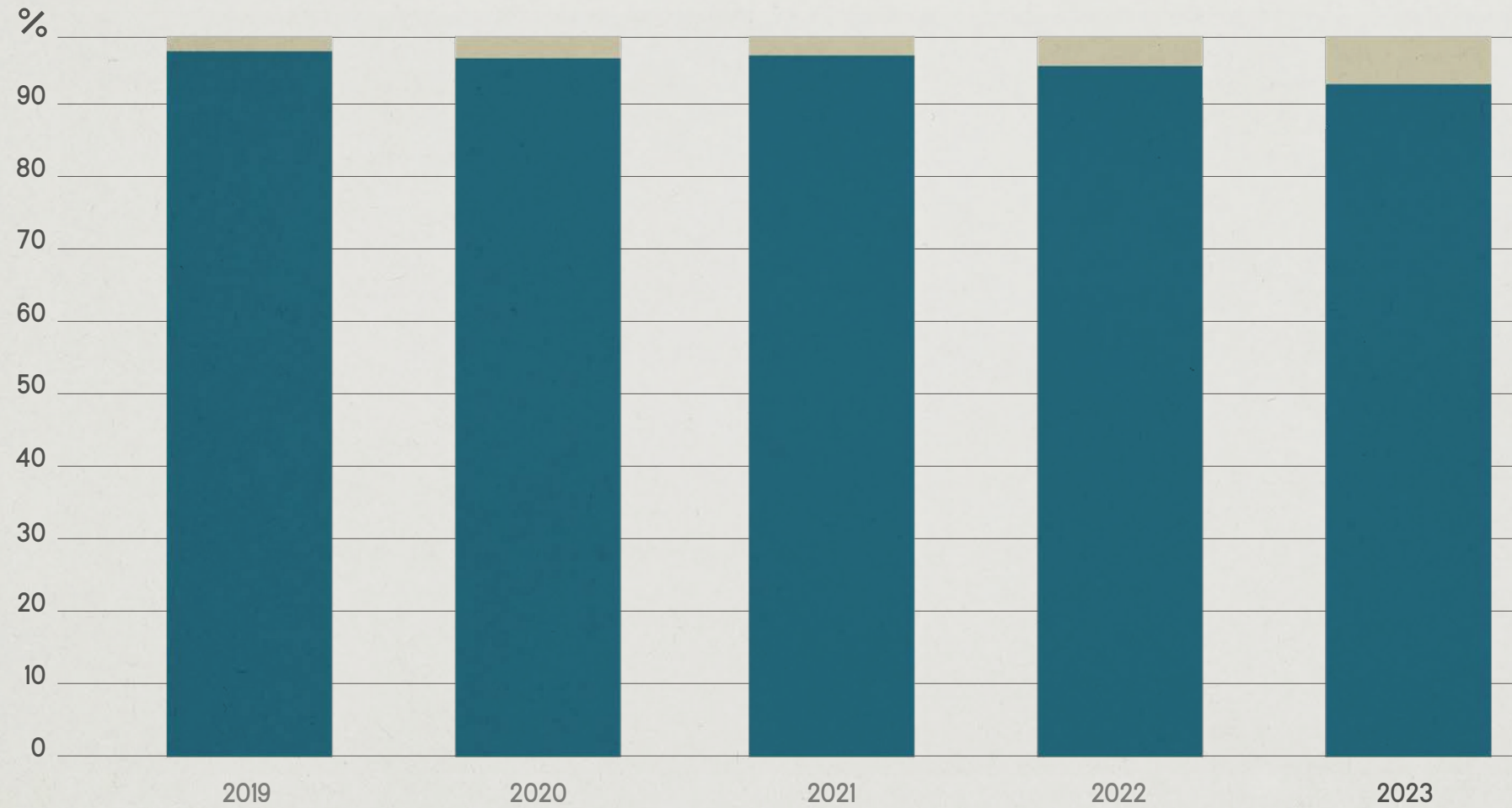
- Recycled polyester
- Recycled elastane
- Recycled nylon
- Recycled acrylic
- Virgin polyester
- Virgin elastane
- Virgin nylon
- Virgin acrylic
- PLA

Fibers

2019–2023

- Preferred
- Less preferred

We map the volumes of our fiber use and trace the share of preferred fibers on a yearly basis. When we talk about preferred fibers, we are referring to the categorization found in the Nudie Jeans Material Tool. To guarantee the integrity of the fibers and textiles, we request supporting certificates from our suppliers. The sales of leather jackets and leather accessories have the most important impact on the total share of preferred fibers. Overall, the use of preferred fibers is rather stable over the years.



7% of all fibers used by Nudie Jeans in 2023 were not defined as preferred.

93% of all fibers used in 2022, were preferred fibers as defined in the Nudie Jeans Material Tool.

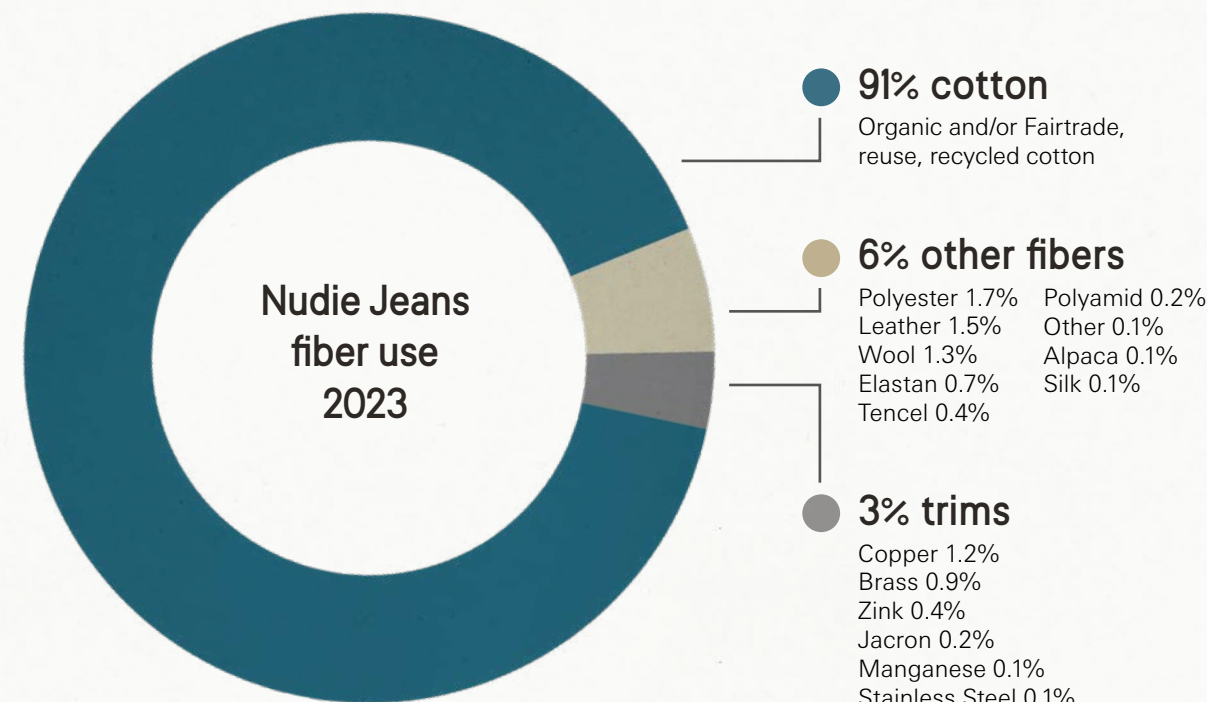
Raw materials

We are proud to say that the fiber we use the most by far is organic cotton, which accounts for 90.7% of our total fiber use. Compared to the last six years, a slight change can be seen in this number, both up and down between the years. The introduction of new fibers in our fiber portfolio as well as the total production of products have an impact. Our work with preferred materials and traceability of fibers placed us in the scaling category in the Textile Exchange's Material Change Index. In 2023 Textile Exchange updated the scoring methodology which resulted in that we dropped one level from leading to scaling. We fully support this development as we need to see even stronger actions from the full industry to align progress with the Textile Exchange Climate + goals.



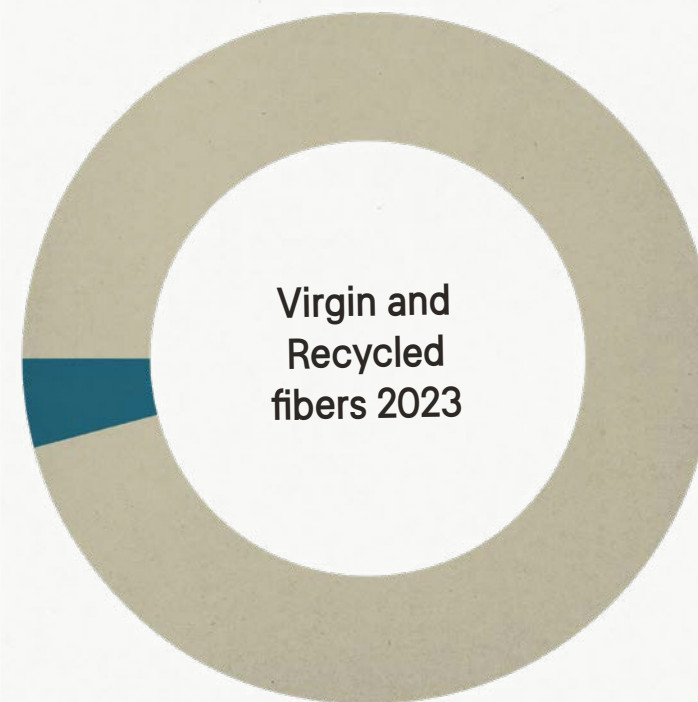
The use of recycled fibers has decreased compared to 2022 due to the fact that we used up the stock of second-choice garments from one of our denim manufacturers to make new fabrics in 2022. In 2023, on the other hand, we did not have the need for this specific recycling scheme as the volumes of second-choice were still small. Compared to previous years the share of recycled fibers of all fibers used is stable.

The share of raw materials for trims has increased in 2023. This is mainly due to that we now have been able to include raw material volumes from our zipper suppliers, which has been lacking in previous years.



96%
virgin fibers

4%
recycled fibers



“ We are proud to say that the fiber we use the most by far is organic cotton. ”

The question of Genetically Modified Organisms (GMO)

Nudie Jeans only works with non Genetically Modified (GM) organic cotton. This is not because GMOs are bad per se, but rather because there is an issue rooted in imbalanced and unfair business relationships between the corporations that sell cotton seeds and the cotton farmers who buy them, mainly in the regular, conventional cotton industry. Much of the GM cotton used is not suitable for replanting, as it creates uneven cotton qualities and yields. The farmers are therefore bound to continue to purchase new seeds for each season, which has a negative impact on environmental and socio-economic aspects for cotton farmers. As a result, cotton farmers become dependent on seed purchases and the corporations selling cotton seeds. This economic dependency often results in large debts for farmers. Like many things, it is more a matter of how GMOs are used, rather than whether they should be used or not. As long as the risks mentioned above remain within our industry, we cannot classify GM cotton seeds as sustainable with a holistic approach to sustainable farming. And since GM seeds are banned within organic farming standards, we will not work with cotton grown from GM seeds.

Nudie Jeans fiber usage 2019–2023

Amount (kg) per year

	2019	2020	2021	202	2023
Natural Cellulosic fibers					
Organic cotton	347,649	326,991	365,239	281,852	275,800
Recycled cotton	502	203	10,521	26,537	6,974
Reused denim	16				
Natural protein fibers					
Conventional virgin wool	< 10	49	24		517
GOTS/RWS virgin wool	68	299	1,053	1,019	1,897
Recycled wool	5,922	1,859	1,239	1,534	1,193
Conventional alpaca	104	108	284	< 10	
Certified alpaca					87
Conventional Mohair	31				
Certified mohair				126	
Eri silk	12	202		15	19
Chrome tanned leather	51	1,201	1,350	836	
Semi veg. tanned leather				1,171	3,074
Vegetable tanned leather	1,418	679	954	1,254	1,599
Regenerated Cellulosic Fibers					
TENCEL [®] Lyocell	2,308	4,320	1,580	2,517	1,260
Viscose		70		50	

A general decrease in production in 2023 have reduced the volumes of organic cotton.

In 2023 we made less denim fabrics with recycled cotton, mainly due to the fact that we had low stock of second choice jeans at our main denim supplier, as they were all used up for recycling purposes in 2022.

Mulesing free, locally sourced virgin wool was used for blankets made with recycled Nudie Jeans in Tasmania.

We continue to use certified wool in our heavy knitts garments.

In 2023 we purchased a bale of recycled alpaca to secure our access to certified RAS alpaca. The volumes we have on stock will be used over the coming years.

Our total use of leather have increased over the last years, which reflects the increase in sales of leather jackets and leather accessories. In the last year we have been able to make more jackets in semi-vegetable tanned leather.

The decrease of TENCEL[™] Lyocell is mainly due to the fact that we only have used the fibers in shirts in 2023.

Nudie Jeans fiber usage 2019–2023

Amount (kg) per year

	2019	2020	2021	2022	2023
Synthetic fibers					
Virgin polyester	262	374	126	<10	2,766
Recycled polyester	4,176	2,482	2,298	2,940	2,172
Virgin polyamide	766	658	595	965	490
Recycled polyamid			247	772	215
Virgin elastane	3,579	3,386	2,012	2,218	2,198
Recycled elastane		151	305	272	
Virgin acrylic		148			
Recycled acrylic		198	<10		412
Metals					
Copper	2,655	2,479	2,147	2,027	4,146
Brass			1,706	2,582	3,085
Zinc	34	16	61	105	1,384
Stainless steel	689	1,280	667	1,236	605
Manganese					1,079
Other materials					
Jacron	1,180	1,161	1,087	1,178	833
Other fibers			52	59	50

This year we included data from our zipper supplier which increased the total use of polyester.

The use of recycled and virgin polyamide have decreased slightly in the last year due to a decrease production of garments containing virgin and recycled polyamid.

No recycled elastane was used in 2023.

Recycled acrylic was used in a few heavy knitts items.

In 2023, the overall increase in metal volumes relies on the fact that we have, for the first time, been able to collect data from our zipper supplier.

The category Other materials is used as the last share in recycled fiber mixes, and this can contain a mix of different fibers.

Conventional material	Challenges	We work with	Why we work with the fiber	How we use it	Sourcing countries
<p style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: 2em; font-weight: bold; margin: 0;">Cotton</p>	<p>Cotton is a water-intensive crop to grow, and for large-scale conventional farming methods with monoculture set-ups effective irrigation can be challenging, resulting in more water use. Conventional cotton farming uses many synthetic pesticides and fertilizers which contain hazardous chemicals that poses risks for both farmers and biodiversity.</p>	<p>Organic cotton</p>	<p>Organic cotton is grown without any artificial fertilizers, pesticides, or genetically modified seeds. Organic farming methods eliminate the risks associated with hazardous chemicals used in conventional cotton farming. This is not only important for the people who work on the fields, but also for biodiversity and the soil as it is not contaminated by toxic pesticides. By supporting small-scale organic cotton producers and methods for more effective irrigation, saving water is also possible.</p>	<p>All virgin cotton in Nudie Jeans products is certified organic.</p>	<p>The majority of the organic cotton Nudie Jeans uses is sourced from Türkiye, and our second largest sourcing country for organic cotton is India. A small part of the organic cotton used for our products comes from Uganda, and Tajikistan.</p>
		<p>Organic Fairtrade cotton</p>	<p>The Fairtrade certification scheme includes fair and decent working conditions, support for farmers through the Fairtrade premium for investments in community projects, and a strengthened business relationship between farmer and buyer, which enables farmers to plan their harvests and sales in advance.</p>	<p>Nudie Jeans use organic Fairtrade cotton in all cotton shirts and cotton jersey products made in India.</p>	<p>The Fairtrade cotton used by Nudie Jeans is grown in India.</p>
		<p>Recycled cotton</p>	<p>Using recycled cotton is a great way to decrease our environmental impact, as cotton is a resource-intensive crop to grow.</p>	<p>In 2023, we used both fabrics made with our own post-consumer Nudie jeans as input materials, but also pre-consumer recycled cotton from our factories' waste streams and other external pre-consumer sources.</p>	<p>Post-consumer Nudie Jeans are collected in Nudie Jeans' stores and recycled in Türkiye, and the majority of the pre-consumer recycled cotton comes from Türkiye and Spain.</p>

Conventional material	Challenges	We work with	Why we work with the fiber	How we use it	Sourcing countries
Natural protein fibers	Traceability and transparency are challenges when working with animal-based wool fibers. Fibers from conventionally held animals, in which the farms do not follow any sustainability standards, are also at higher risk of animal maltreatment. Recycled animal fibers have other challenges such as shortened fiber length which can affect the strength of the yarn.	Wool (virgin and recycled)	Wool is a natural and durable fiber, and its longevity and natural stain-repellent properties make it a great fiber for garments. Airing wool garments is often just as effective as washing, which allows for sustainable use. Using recycled wool is more sustainable, as it decreases the environmental impact of the material.	For outerwear such as coats and over shirts, recycled wool fiber with its rougher feel is a great fit and where we today use it the most, while finer knits benefits from the virgin fibers' high quality and longer fibers.	The majority of the certified wool yarn we use comes from Türkiye. We have not yet been able to trace the certified wool down to the farm level. The recycled wool yarn we use comes from the Prato region of Italy.
		Alpaca	Alpaca wool with its soft and light feel is a nice alternative to sheep wool for certain styles.	In 2023, we invested in a larger volume of certified alpaca to secure our availability of the fiber. Alpaca is used to make lighter, more voluminous knitted sweaters. Over the last years, we have made rigorous efforts to move away from the use of non-certified animal hair to the use of animal hair certified according to Textile Exchange's different responsible standards.	The alpaca wool Nudie Jeans uses is sourced from Peru.
	The animal rights and welfare perspective is a challenge for conventional silk production, as the silk cocoon and the silkworm is boiled in the process of separating the fibers from the cocoons and to obtain as long fibers as possible. But in Eri silk, Ahimsa or peace silk production, the silkworm spins an open ended cocoon, which allows the moth to leave the cocoon before harvest.	Eri Silk (also called Ahimsa or peace silk)	Silk is a natural protein fiber that is produced by the worm of the silk moth. It is a lightweight and breathable fabric with a luxurious appeal. The silk fiber is also a strong natural fiber which can give the fabric an inherent longevity.	In 2023, we made scarfs in 100% Eri silk and used the same fiber for a cotton and silk blend jacket. We have not yet been able to source certified organic silk. We only define certified organic silk as a preferred fiber in our Material Tool. In organic silk production, the pesticide and fertilizer use is regulated in addition to harvesting empty cocoons.	All Eri silk we used in 2023 was sourced from India.
	The leather industry presents many challenges regarding chemical usage, traceability, and animal welfare.	Leather	Throughout Nudie Jeans' history, we have chosen to work with leather because just like denim, it is a material that becomes more beautiful with time. We believe in the value of creating a product that can be used for many years, and in that way reduce resource use and be a part of creating tomorrow's vintage.	In 2023, we increased the total number of garments made in semi-vegetable tanned leather, meaning that the first tanning step is chrome tanning, while the second tanning is vegetable tanning. Our leather accessories are made with fully vegetable-tanned leather. Working with vegetable-tanned leather decreases the use of chemicals. Until we can guarantee that the animals are from certified organic farms, we will not define leather as a sustainable material.	We have used goat and buffalo leather for our jackets, all from Leather Working Group, Gold certified, suppliers. We lack official ways to trace the leather back to the farm level, but we have been informed that the leather should be from Indian animals. The leather used for our accessories is from Polish cows.

Conventional material	Challenges	We work with	Why we work with the fiber	How we use it	Sourcing countries
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Regenerated cellulosic fibers</p>	<p>Regenerated cellulosic fibers are commonly made from a wood-based cellulosic pulp where the actual textile fiber is made in an industrial process. Conventional regenerated cellulosic fibers, such as viscose for example are made using caustic soda and carbon disulfide, and sodium sulfate is created as a byproduct of the process. These chemicals have harmful properties and must be handled properly. Ensuring sustainable sourcing of wood-based raw material is also a challenge for regenerated cellulosic fibers.</p>	<p>TENCEL™ Lyocell</p>	<p>TENCEL™ Lyocell is Nudie Jeans' most preferred regenerated cellulosic fiber and is among the textile fibers with the lowest environmental impact of most virgin fibers. Unlike viscose and modal, which are the same type of fiber, TENCEL™ Lyocell production is sustainable thanks to the use of a closed-loop system for the solvent spinning process. The solvent is recycled and can be reused many times.</p>	<p>Nudie Jeans is proud to use TENCEL™ Lyocell as our main regenerated cellulosic fiber. In 2023, our overall use of TENCEL™ Lyocell decreased compared to the year before.</p>	<p>The cellulose used to produce TENCEL™ Lyocell comes from sustainably managed forests in South Africa, Czech Republic, Slovenia, Slovakia, Scandinavia, the Baltic countries, Russia, the US, and Poland, where sustainable forest management certification schemes are applied.</p>

Conventional material	Challenges	We work with	Why we work with the fiber	How we use it	Sourcing countries
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Synthetic fibers</p>	<p>Virgin conventional polyester, polyamide and elastane are made of oil, a nonrenewable raw material. The use of synthetic fibers involves a risk of microplastic release, and microplastics can contain harmful chemicals and end up in the ocean, animals, and humans. Mixing synthetic fibers with cellulosic fibers can also impact the recyclability of a garment or fabric.</p>	<p>Polyester (virgin and recycled)</p>	<p>Synthetic fibers are used in Nudie Jeans garments for the properties of the fibers. For example, adding polyester to our stretchier denim optimizes the recovery of the stretch and adding polyester to a cotton or wool yarn improves yarn strength. We aim to use recycled synthetic fibers whenever possible. To decrease the risk of microplastic release, we sell the Guppy Friend washing bag, which is a washing bag specifically made to capture microplastic fibers inside the bag instead of flushing them out into sewage systems.</p>	<p>In 2023, we continued to only work with recycled polyester in denim fabrics containing a polyester blend, and we also used recycled polyester for linings as well as for yarns in our knits.</p>	<p>Most of our recycled polyester originates from India, Italy and Spain. As we work with smaller volumes of recycled polyester in different products it is a challenge to reach full traceability for all recycled polyester back to the recycling process country.</p>
		<p>Polyamid (virgin and recycled)</p>		<p>Like polyester, polyamide is used in some garments to add strength and abrasion resistance. Nudie Jeans use polyamide in socks, and in some knitted items, such as knitted sweatshirts and beanies. Polyamide is also included in some of the metal buttons used on our denim.</p>	<p>We have not yet been able to trace the origins of the polyamide used in Nudie Jeans' products.</p>
		<p>Elastane (virgin and recycled)</p>	<p>In our comfort and power stretch denim options, we have included between 1–3% elastane, which gives the denim a soft and stretchy feel.</p>	<p>When spinning the yarn used in the denim fabric, cotton fibers are spun around a very thin yarn of elastane. The elastane is therefore at the core of the yarn.</p>	<p>The elastane producers are known to us, but we have not yet been able to trace the specific production units used.</p>

Conventional material	Challenges	We work with	Why we work with the fiber	How we use it	Sourcing countries
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Trims</p>	<p>We work with a number of different materials in our trims which all have different challenges. We apply the same definition for preferred fibers for our textiles to our trims. This is why we have stopped working with leather patches and we are decreasing the use of plastic trims.</p>	<p>Metals, corozo, plastic, cotton, FSC certified paper and recycled polyester.</p>	<p>Metal buttons and metal zippers are strong and have a long product life. Corozo buttons are for us a more preferred choice than plastic buttons.</p>	<p>In 2023, we continued to use corozo buttons for many of our shirts and jackets. We also have a few button styles made in partly bio-resin and partly fossil-based plastic.</p>	<p>The thread for our denim comes from three different global suppliers, but with local sourcing in the same country as our production. Zippers come from YKK and are bought locally by our suppliers in each supplier country. All of our metal buttons, rivets, and snap fasteners are made under environmentally safe (EMAS) and transparent conditions in Germany. The booklets in the back pocket of each pair of jeans are made in Denmark the paper is FSC-certified. The woven Nudie Jeans tag is made in recycled polyester, the paper waist tag is made with FSC-certified paper. All of our tags and hangtags are made in Türkiye. The paper box for underwear is made locally in India with pre-consumer recycled cotton from fabric and spinning waste.</p>
		<p>Jacron</p>	<p>Jacron is a material made of FSC-certified cellulose fibers and a small share of acrylic polymers. Offering leather-free denim was a natural step in Nudie Jeans' sustainability journey.</p>	<p>In 2018, we stopped using leather patches on our denim and replaced them with jacron patches.</p>	<p>The jacron we work with is made in Germany.</p>

Biodiversity

The term biodiversity comes from the words “biological diversity” and means the variety of all life on Earth at all different levels. This involves everything from genes and microorganisms to insects, animals and entire ecosystems. Rich biodiversity and resilient ecosystems are essential aspects of generating sustainable development. Loss of biodiversity should not only be seen as an environmental issue, but also as a business issue. All businesses, including Nudie Jeans, depend on and impact biodiversity and ecosystem services in numerous ways.

Throughout our history of working with responsible production, we have taken a number of actions to decrease our impact on biodiversity, but without phrasing it as such. To better comprehend the impact our business creates, we have, in the last years, been working with master’s students from Chalmers University of Technology in Gothenburg to help us analyze and understand our impact on biodiversity.

The outcome has been three master’s thesis reports⁴. One explores how Nudie Jeans’ existing sustainability efforts can be mapped in relation to impact on biodiversity. The second evaluates the impact on biodiversity of Nudie Jeans’ most-used fiber, organic cotton, in relation to Lenzing’s TENCEL™ Lyocell, compared to conventional cotton. The last thesis, was a field study in which farmers were interviewed on the subject of biodiversity. An action plan was designed for how Nudie Jeans

can decrease the identified negative impacts and take action to enhance biodiversity in the region.

The results of the reports show that Nudie Jeans’ impact on biodiversity should be analyzed primarily through three of the direct drivers of biodiversity loss, as identified by the IPBES (2019): land use change, climate change, and pollution. Our most significant impact on biodiversity occurs in the raw material stages and fiber production. Farmers identified the lack of economic incentives as a common challenge hindering the use of farming practices that enhance biodiversity. The findings in the last study indicated an interest from farmers in working with regenerative farming practices, which include a holistic approach that would also have a positive impact on biodiversity.

Measuring a business’ biodiversity impact is a challenging task, and to be able set clear and quantifiable targets, measuring is key. However, while no precise biodiversity targets have been set by Nudie Jeans, we have embarked on the journey to create a biodiversity strategy in line with the Action Framework (AR3T) based on: Avoid & Reduce, Restore & Regenerate, and Transform, as guided by Science Based Targets for Nature.

Avoid & Reduce:

Nudie Jeans works with only certified organic cotton, thereby avoiding and reducing the negative impact on biodiversity associated with conventional cotton cultivation. According to the white



paper "Advancing Organic to Mitigate Climate Change" by Organic Trade Association⁵, organic cotton has a lower climate impact and less risk of pollution, because it prohibits the use of chemical fertilizers and pesticides.

The Nudie Jeans Material Tool plays a crucial role in further avoiding and reducing negative biodiversity impacts. When working with fibers other than cotton, we are mindful of their impact at the raw material stage. Specifically, we limit our negative impact on forest biodiversity by using Lenzing's TENCEL™ Lyocell, which uses biomass from sustainably sourced forests. Additionally, our intentional use of recycled fibers reduces the pressure on virgin raw material production.

Nudie Jeans chemical policy and the strategic choices to work only with suppliers that have proper water treatment plants, and preferably GOTS-certified suppliers, are important action to avoid and reduce negative impact on biodiversity. These actions help mitigate specifically the risk of pollution through wet processes and address water management challenges.

Recognizing that climate change is a significant driver of biodiversity loss, we prioritize efforts to reduce greenhouse gas (GHG) emissions across our entire business. Our broad array of sustainability engagements encourages us to avoid the trap of "carbon tunnel vision"⁶ Increased aware-

ness of how our business impacts biodiversity will improve the possibility of having an holistic response to climate change.

Restore & Regenerative

In the past year, we initiated the development process for creating garments made from regenerative organic cotton. These products are scheduled for release in early 2025. During this process, we facilitated knowledge sharing between suppliers who possess extensive knowledge of regenerative organic cotton from various parts of our supply chain. The goal was to share insights, inspire progress, and foster innovation.

Nudie Jeans' efforts to scale up the repair service and the sales of Re-use jeans is another example of a regenerative business action as it prolongs the life of already produced garments.

Transform

The final step in the framework aims for visionary and forward-looking solutions to drive systemic change. Our participation in the Mistra BioPath research program and the collaborations we have had with Chalmers University over the years allow us to co-create new knowledge and actively contribute, step by step, to the transformation of the industry.



4. Nhu Anh Phan – The Bumpy Roadmap to Biodiversity Management for Apparel Companies. The case of Nudie Jeans Chalmers university of Technology, 2021.

Clara Wickman – Assessment of the Drivers to Biodiversity Loss in Textile Fibre Production. A Case Study of Nudie Jeans' Supply Chain. Chalmers university of Technology, 2021.

Hanna Comstedt and Alina Ridderstad – Biodiversity in cotton farming in western Türkiye. A qualitative case study on Nudie Jeans' impact on biodiversity. Chalmers university of Technology, 2022.

5. Advancing Organic to Mitigate Climate Change. Knuth, B., DeBates, M., Mirenda, J, & Shade, J. (2020). Washington, DC: Organic Trade Association

6. → [Jan Konietzko – Moving beyond carbon tunnel vision with a sustainability data strategy](#)

Certifications

Working with certified raw materials is important to us at Nudie Jeans. The organic cotton used for our products is certified in accordance with the strictest and most well-known standards for organic agriculture. All cotton sourced in India through Chetna Organic is both Fairtrade and organic certified. With new materials entering Nudie Jeans' production range, we are also increasing the range of standards our fibers are produced according to. For all our human-made cellulosic textiles such as TENCEL™, certifications for sustainable forest management are applied, while for recycled yarns, we endeavor to use well-known recycled standards.

In the end of 2023 Nudie Jeans started the process of becoming GOTS certified, in January 2024 we received our GOTS scope certificates. Within the coming year, we will focus on developing products in line with the GOTS standard with the goal of selling GOTS certified products at the beginning of 2025.



Production

RISKS AND CHALLENGES	ACTIONS	GOALS
Wages below a living wage put other areas at risk such as health, safety and education, and impact the risk of child labor and reduced equality.	We will develop the work with transparent product costing through the use of the fair price app.	Implement our share of living wages payment to reach 100% of employees at all our main suppliers in high-risk countries by 2025.
Wages below a living wage put other areas at risk such as health, safety and education, and impact the risk of child labor and reduced equality.	Collaboration with suppliers and local stakeholders to map the wage levels in relation to the local living wage benchmark in each production country.	Map the wage levels at 100% of our main suppliers and their employees' need for a living wage by 2023.
The effects of climate change and global warming; extreme weather events, water shortages, endangered ecosystems and decreased biodiversity will risk our core business.	Changes to electricity from renewable sources, increase the use of heating from renewable sources. Change from fossil-driven company cars to hybrid and fully electric cars.	Reduce scope 1 and 2 GHG emissions by 51% by 2030.
Renewable energy availability on markets where we have stores and offices.	Change of energy subscription or purchase Renewable certificates per market and map which stores are compatible with signing renewable energy contracts.	Reach 100% renewable energy sources for electricity used in all Nudie Jeans-operated facilities by 2023.
The effects of climate change and global warming; extreme weather events, water shortages, endangered ecosystems and decreased biodiversity will risk our core business.	Support our suppliers in the transitions to renewable electricity and fuel use. Decrease the use of air freight and increase the use of train and sea freight. Uphold the use of preferred fibers.	Reduce scope 3 GHG emissions by 51% by 2030.



The SDGs in each chapter are illustrated by the importance of the goal, where the main SDG is displayed in a larger size and the associated SDGs are smaller, based on the significance for Nudie Jeans' impact.

and is now an integrated part of the purchasing process at our Indian suppliers and one of our Turkish suppliers⁷ but we — and the industry — still have a long way to go.

We facilitate and support trainings that contribute to better working conditions and reduced inequalities. Outcomes of the trainings have been increased worker rights awareness, formation of workers committees, wage protection policies and more female supervisors in production.

Minimizing the use of harmful chemicals is necessary for creating a safe work environment for the workers in our supply chain. Minimizing the use of harmful chemicals also helps securing access to safe and clean water, as non-treated wastewater is

We do not envision a trade-off between profit and people, nor between manufacturing and environmental responsibility. These themes are major factors in our choice of suppliers. As with most other clothing brands, we do not own the factories where our products are made. We are however, together with our garment suppliers, responsible for providing a safe and ethical working environment, as well as providing support towards miti-

gating negative environmental impacts caused by production.

Our responsibilities include selecting suppliers and sub-suppliers, that share Nudie Jeans ambitions and values regarding human rights, labor practices, the environment and ethics. Nudie Jeans strive for long-term relationships and our intentional supplier process is outlined in our Sourcing Strategy.

Our Code of Conduct is expected to be signed by every supplier throughout the value chain. The Code of Conduct outlines Nudie Jeans requirements for suppliers such as operating transparently, having fair labor rights and environmental requirements. Our requirements can be more far-reaching than national legislation.

Our living wage concept has evolved over time

a large source of chemical pollution in some countries. To prevent negative impacts in relation to water use we collaborate with suppliers who continuously work to increase water efficiency and that have proper wastewater management systems.

In 2023, we continued the structural approach to our climate work. We worked together with the Swedish Textile Initiative for Climate Action (STICA) and the firm 2050 Consulting AB. Together we mapped all our emissions, in all three scopes, in accordance with the Greenhouse Gas Protocol methodology. We have also continued to focus on supplier engagement and discussions on CO2 reductions with our key suppliers. A focus of our climate work is to be part of the shift toward using renewable energy in the full supply chain.

7. Armstrong Knitting Mills, Dibella, Chennai management services and Mergü.

Our main partnerships within this field:

- Fair Wear Foundation
- Reseach Institute of Sweden
- Sag Salim
- Swedish Textile Initiative for Climate Action
- Kemikaliegruppen, Research Institutes of Sweden
- Certified to Last, Research Institutes of Sweden

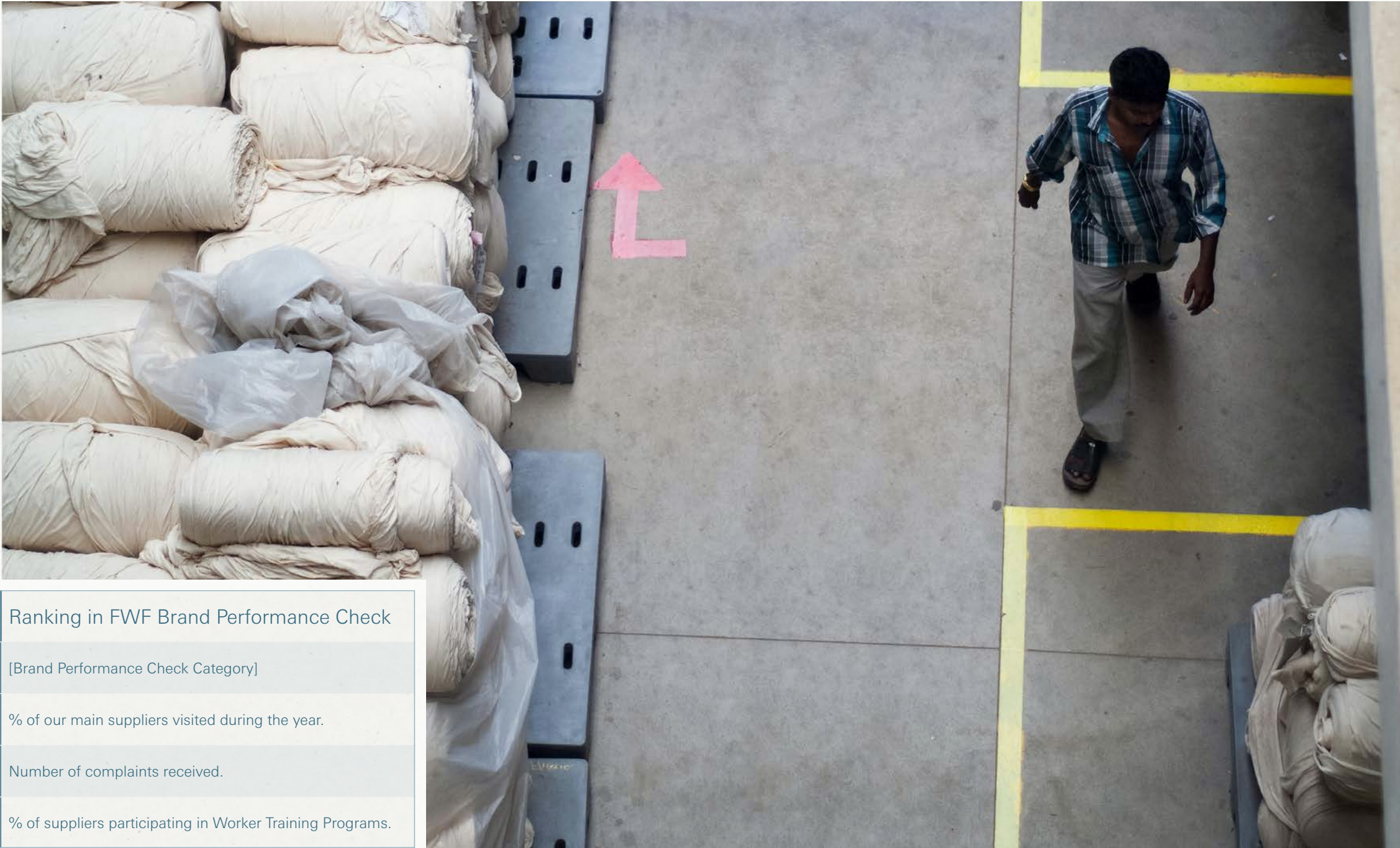


Working conditions at our suppliers

Our Fair Wear Foundation (FWF) membership is a key element in ensuring that everyone throughout the production chain works under fair conditions. FWFs Code of Labor Practice is incorporated into our Code of Conduct.

FWF is a third-party non-profit organization that works with brands, factories, and NGOs to verify and improve conditions at suppliers. Nudie Jeans has been a member since 2009.

We actively work to improve the working conditions in our supply chain to make sure all suppliers and subcontractors comply with the eight standards of the Code of Labor Practice⁸. Our main suppliers are situated in Portugal, Italy, Tunisia, Türkiye, India, Lithuania, Poland and Sweden. In 2023 we visited 75% of our suppliers. FWF performs an annual Brand Performance Check on all its members, which is available to the public online. Nudie Jeans was ranked Good in the Brand Performance Check in 2023.



2023	Ranking in FWF Brand Performance Check
Good	[Brand Performance Check Category]
88	% of our main suppliers visited during the year.
1	Number of complaints received.
60	% of suppliers participating in Worker Training Programs.

8. → [FWF Code of Labour Practice](#)

An essential aspect of the working conditions at our suppliers is that employment must be freely chosen, in terms of both starting and ending the relationship with the employer. We carefully select our suppliers and only choose those who can ensure and show evidence that no one is forced to work through any incentives, such as lump sums, debts or similar. Nudie Jeans publicly commits to respecting human rights as stated in the UK's Modern Slavery Act 2015 and the UN Guiding Principles on Business and Human Rights (UNGPs). This is stated in the Human Rights and Anti-Slavery Policy, which is available online. Having a secure employment contract is highly valuable for most employees, as it guarantees the right to social security and the position is regulated by law. This is especially important in countries in which social security is not as strong as in other countries. The labor practice "A legally binding employment relationship" covers this aspect. It is a standing point

on the agenda when visiting our suppliers to discuss terms of employment and ensure that as many workers as possible, if not all, have a permanent employment contract.

In 2023, no audit showed any indications of overtime. A practice that is closely related to the labor practices "Employment is freely chosen" and "Reasonable hours of work" is "No exploitation of child labor." Over the years, the textile industry has been at risk of having child labor in the supply chain. For Nudie Jeans, the suppliers that pose the most risk of child labor in the supply chain are the cotton farmers and less transparent spinning units, where production is labor-intensive. It is less likely in other parts of the production chain, either because not as much labor is required, or a highly skilled professional is required, such as a tailor. To reduce the risk of child labor in our Indian supply chain, we have chosen to procure cotton from Chetna Organic, which can offer both Fairtrade and organic cotton from a farmers' association with regular audits from Fairtrade to ensure good working conditions and that no child labor takes place. To read more about Chetna, see the Material chapter.



The Fair Wear Foundation Code of Labor Practice

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining
3. No discrimination in employment
4. No exploitation of child labor
5. Payment of a living wage
6. Reasonable hours of work
7. Safe and healthy working conditions
8. A Legally binding employment relationship



Children's rights

Our due diligence work reveals some less positive aspects of our supply chain, where child labor can potentially occur. The recycling industry is a positive and necessary business area for the fashion industry, but transparency and information on raw material collection is lacking and there is a risk of child labor occurring in the collection of PET bottles in many Asian countries, as one example. Another example is the spinning units in India where there are many activities that may be carried out by younger people, although within legal working age. If these suppliers lack transparency, there is a risk of employees working more hours than permitted. There is a risk of young workers or child labor being used in the cotton fields, especially during harvest season, including Syrian refugees in Türkiye for example, which is why we have engaged with the Sağ Salim program for implementing a grievance channel and capacity-building program.

Although there are many risks regarding children's rights, we acknowledge that our own and our suppliers' actions, such as paying our share of living wages, limiting overtime hours, and thus enabling parents to be with their children in the evenings, and encouraging crèche facilities, especially at our Indian suppliers, contribute to minimizing the negative risks for children with connections to the textile supply chain.

The Chetna farmers, from whom we purchase organic and Fairtrade cotton in India, can grow other crops, and maintain a rural lifestyle in their home villages, and their children can go to school for further education. Our supplier Dibella supports local schools for the children of cotton farmers.



Audits and trainings

In 2023, we initiated a total of five audits. One in Portugal, one in Italy and three in India, where two are different units of the same supplier. In addition, we collected and followed up on external audit reports made by other third party organisations. We collected other external audits; the audits in India were performed by Fair Wear Foundation's (FWF) team; and the audits in Portugal and Italy were performed by independent consultants following FWF's audit methodology. During the year, we also worked on following up the audit results and non-compliances from other reports we received, as well as previous audits from the year before.

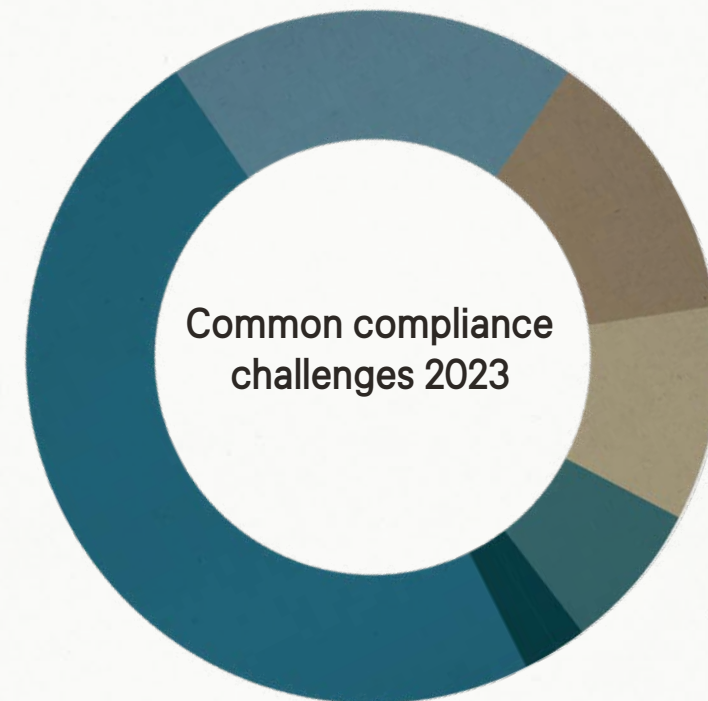
Summarized non-compliance findings from 2022 and 2023 audits are explained below. The categories are from the Fair Wear Foundations audit method.

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



- Safe and healthy living conditions 48%
- Payment of living wage 19%
- Legally binding employment relationship 13%
- Factory Communication 10%
- No discrimination 7%
- Reasonable hours of work 3%

within this category is that overtime and/or social benefits can be paid out in cash. Read more about Nudie Jeans work on living wages on page 39. The payment of living wages influences direct root causes of labor rights and poverty.

3. Legally binding employment relationship

Findings of suppliers using temporary contracts 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.

What is an audit?

An audit is a control, normally at the supplier level, to assess the workplace conditions. As we are members of FWF, the auditing program follows the Code of Labor Practice developed by FWF and each of the labor practices are assessed from 3 perspectives: factory management, stakeholders, and workers. In high-risk countries, off site-interviews are always con-

ducted prior to the audit. A FWF audit is carried out by local FWF staff in the production country and the team consists of at least 3 people with different competencies. The audit takes 1–3 days depending on the size of the factory. All FWF audits are announced, as the relationship between brands and suppliers should be built on trust and collaboration.



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 to support sustainable improvements.

In recent years, one of our Indian suppliers has enrolled workers and management in workplace training, raising awareness about workplace standards and grievance systems, and developing functional anti-harassment committees. Given the situation of female representation and gender inequality in the textile industry, we have focused on empowering female workers. For example, we offer training programs for female line supervisors with a focus on leadership and teamwork, as well as types of harassment and how to identify them. This year, Nudie Jeans contributed to facilitating soft skill training needed for leadership with the end goal of increasing female supervisors in production.

On a practical level, we urge 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 for all voices to be equal, without discrimination. We view our program for raising wages toward a living wage as one way to reduce gender inequality, because it results in both men and women having a stable income on which it is possible to live.



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		

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.



Right to a living wage

Since 2013, we have been paying our share of living wages for our products at selected suppliers, and in recent years 3,667 workers have received an additional amount from Nudie Jeans, as a step toward increasing wages at selected suppliers. For part of the Indian supply chain, we pay our share of living wages to employees from the raw material stage throughout the supply chain, to the final garment. This is the clearest action in which we have a positive direct impact on our production.

We began this initiative in support of the notion that everyone who produces a Nudie Jeans product should have a wage they can live on. The approach to working practically with living wages in the supply chain has been discussed and debated in the industry for a long time, and we have chosen to use local collaborations directly with our suppliers and to improve our purchasing practices. We have not engaged in trade union or government discussions or initiatives in the countries where our products are produced. Different stakeholders, including FWF, have verified that payments have reached the workers. Both Nudie Jeans and the first supplier⁹ where we initiated the payments, felt positively about expanding living wage payments. Nudie Jeans has therefore reached out to other brands that source from the factory to expand living wage payments to other production departments at this vertical supplier. Currently, another brand is also paying their share of living wages at this supplier, in accordance with the methodology developed by Nudie Jeans and the factory.

Lowest, Mode and Highest monthly wages (before allowances, bonuses or overtime) at our main audited suppliers in the following countries.

	Currency	Minimum wage in the country/region or by CBA	Lowest wage	Mode wage Most employees receives this wage.	Highest wage	Living wage benchmark	Living wage gap in %	Do the factories have collective bargain agreement?	Do the factories have active workers committees?
India	Euro	108	109	114	220	151–186	28–39	No	Yes
Italy	Euro	1,373	1,522	1,718	2,400	1,545–2,049	1–26	Yes	Yes
Lithuania	Euro	840	No data	No data	No data	1,062–1,308	No data	Yes	No
Poland	Euro	832	881	975	1,901	1,003–1,230	12–28	Yes	Yes
Portugal	Euro	760	760	760	900	908–1,330	16–43	Yes	Yes
Tunisia	Euro	163	190	199	230	251	24	Yes	Yes
Türkiye	Euro	401	401	401	No data	583	31	No	Yes

The living wage benchmarks are usually developed locally at the factory level and crosschecked with existing benchmarks such as the Global Living Wage Coalition or the Asia Floor Wage. The suppliers use the SA8000 metrics for food baskets to estimate the living costs in a specific area. Most of the factories created a survey for their employees and looked at calorie intake, school fees in the area, and cost of living in the factory area. Local stakeholders were also consulted. The benchmark is revised annually to match the rising costs of living. We believe that allowing the factory to oversee the calculation and practical distribution of money is most sustainable in the long term, as it strengthens the factory's commitment to living wage payments. Since 2016, we have expanded our living wage payment program, moving beyond the scope of FWF requirements, to

include more of our Indian suppliers and sub-suppliers, located in Bangalore, the Tirupur area and Chennai¹⁰. For the new payments, representatives from Nudie Jeans participated in the distribution ceremonies. Our participation in the FWF living wage incubator in 2017–2019, during which we met other brands that face similar challenges, has been helpful for us to advance the work with a living wage. In 2021 we developed with other FWF brands a living wage program at a shared supplier¹¹ in Türkiye, where the joint efforts of the brands enables a significant increase of the wages for the employees. We have initiated Social Dialogue Trainings and Fair Price App trainings. In 2023, we developed labour minute value and product cost calculations for European context.

Note 1 Mainly based on stitching units.

Note 2 The figures are based on latest available audit reports and full time employment wage data.

Note 3 The living wage gaps intervals are based on the range of lowest paid employees and the range of living wage benchmark levels.

Note 4 The minimum wage is based on 2023 indications.





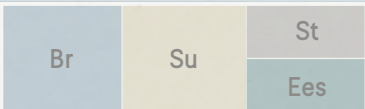
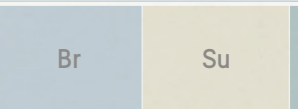
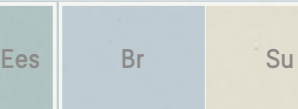
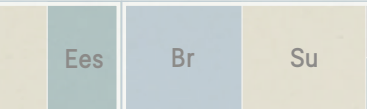
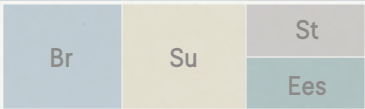
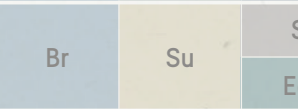
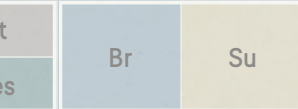
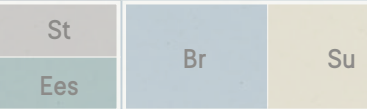
Note 5 The living wage benchmark has been retrieved from Living Wage Project, Global Living Wage Coalition or the report: Cost of living, Living Wages and Minimum wages in EU-27 countries (Guzi, 2021)

9. Armstrong knitting mills, Tirupur.

10. Sustainably Crafted Clothing in Bangalore and Krishnagiri, spinning, knitting and processing units in Armstrong, Tirupur and Chennai management services in Chennai.

11. Mergü.

Nudie Jeans living wages projects

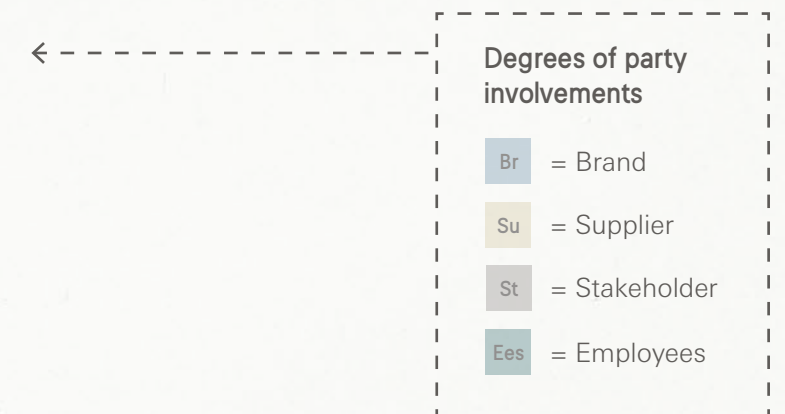
When we started to pay living wages	From 2013	From 2016	From 2021 (SP22 collection)	From 2021 (SP22 collection)
Producer	Armstrong Sewing units I and II 	Sustainable Crafted Clothing 	Chennai Management Services 	Mergu 
Country	India	India	India	Türkiye
When did we start to work with the supplier?	2011	2015	2019	2014
Nudie Jeans production volume in % and number of styles	1%, 28 styles in 2023	5%, 35 styles in 2023	6%, 13 styles in 2023	7%, 15 styles in 2023
Women working in the factory in %	64%	83%	72%	64%
Are the suppliers audited by Fair Wear Foundation?	Yes	Yes	Yes	Yes
Does the supplier have workers committees?	Yes	Yes	Yes	Yes
Is there an active union in the factory?	No	No	No	No
What is the living wage cost?	€0.2–0.8 /garment	€ 1.75 /garment	€8.43–9.46 /garment	€0.26–0.33 /garment
Parties that were involved in setting up the program?				
Was there a collective bargain agreement in place?	No	No	No	No
Who was involved in deciding how the value was distributed?				
How is the money distributed to the workers?	As as bonus to their bank account	As as bonus to their bank account	As as bonus to their bank account	As as bonus to their bank account
What is the gap between living wage benchmark and lowest wage?	€72 /month	€42 /month	€72 /month	€182 /month
How many of the workers recieves our share of living wages ?	100%, 2,500 employees	100%, 700 employees	100%, 209 employees	100%, 129 employees

What do we mean by our share of living wages?

We often have a small share of the total production at our suppliers, our share of production may be 1–7% of the factory's production.

When we acknowledge that living wages should be paid at a supplier, we will contribute with the amount representative for our share of production, to bridge the gap between a minimum wage and a living wage. If all brands producing goods in the same factory, take their responsibility and pay their share as well, then employees in the supply chain would reach a living wage much sooner.

We can only take responsibility for our share, and lead by example. Hopefully other brands will follow.

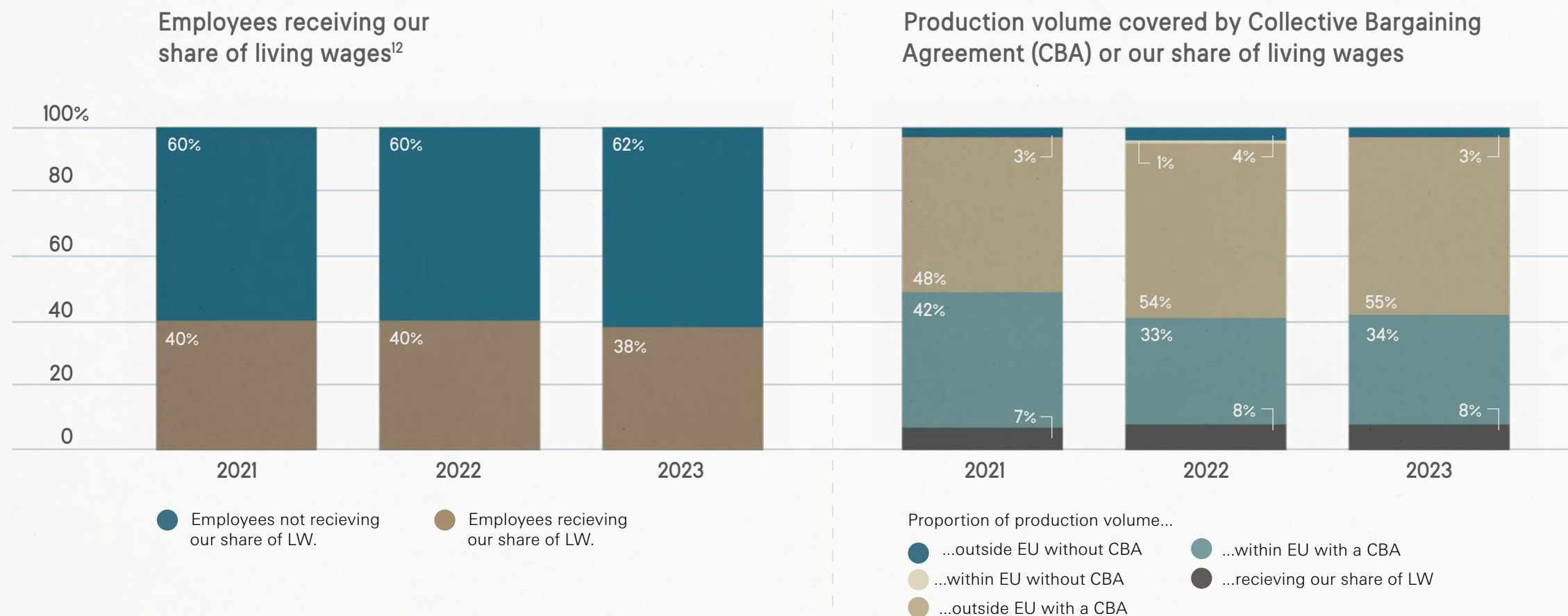


From 2021, employees receiving our share of living wages has decreased from 40% to 38% due to the decrease of number of employees at supplier level. The proportion of production volume where living wage are paid has increased from 7% to 8%. However, it is notable that the workers who are not part of our living wage program

are located within the EU and/or have collective bargaining agreements and functional union representation in the factories.

In 2023, we continued to pay our share of living wages at our leather, shirt and t-shirt supplier in India and shirt supplier in Türkiye. The living wage

project initiated in 2021 at our Turkish supplier is today a project with three other brands, and together we cover around 70% of the living wage gap.



Is "Living wages for all" realistic?

Living wages has been a hot topic for the industry for decades, with many discussions and generally very few actions by brands. Through our work at the supplier level over the years, we have come to realize that there is no easy solution to implementing living wages for all workers in the full supply chain, all at once. We are unsure of whether it is even possible to achieve living wages for all employees through an individual-solution-based approach for each supplier, and by adding our low leverage at many suppliers. However, Nudie Jeans encourages the collective bargain agreement process, even if a CBA level is not to be considered a living wage at all suppliers. This motivates us to further investigate how to support the movement toward higher wages at all our suppliers.

12. Calculated on all employees at Tier 1 suppliers. In addition, we pay our share of living wages to 643 employees in tier 2 and 3.

Purchasing practices

One of the most important and influential parts of the partnership with a supplier is the purchasing practices of the brand. This is what regulates a sustainable development for the supplier and for the brand. Nudie Jeans endeavors to have long-term relationships and healthy discussions with all of our suppliers. Nudie Jeans' purchasing practices include forecasting and production based on actual orders, and for some products, pre-financing of fabric and forecasting of cotton volume. Product prices are subjected to discussions primarily when new technologies, new treatments and other details are added. Consideration for aspects related to sustainability, such as certification costs, labor wage costs, our share of living wages, and Fair-trade premiums are also an important component for our buyers to consider in discussion with suppliers.

Suppliers Evaluation of Nudie Jeans

In 2023, Nudie Jeans invited its main tier 1 suppliers to participate in an Evaluation Survey. The survey assesses the business relationship 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%

Open Costing

Nudie Jeans has an interest in understanding the full product price calculation, this includes not only materials, trims and efficiency, but also how it correlates to labor minutes and salary payments. As a tool to understand the product price calculation we have started to work with open costing at selected suppliers. For non-EU suppliers, all suppliers use the FairPrice app¹³ to some extent or have been given training. During 2023, open costing tools were developed for EU suppliers.

13. [fair-price.org](https://www.fair-price.org)

Social dialogue

In 2020 Nudie Jeans joined the project Sağ Salim to gain insights of social conditions in the less visible parts of the supply chain such as cotton farmers and seasonal workers in the Turkish agricultural sector. The program was initiated by Outland Denim and Bossa Denim. Sağ Salim provides an online grievance channel and capacity building, through the service provider Precision Solution Group.

Activities around the Sağ Salim project reached 6 733 968 people in 2023, with engagement from 369 465. This resulted in increases of 45% in reach and 28% in engagement since last year. Highlights from the reports include the reach of the program, and the impact of the educational content. This has led to an increase in reporting and is also considered likely to have a positive impact on reducing the vulnerability of workers throughout the supply chain as they become more aware of the risks of exploitation. The findings are representative of workers in the lower tiers, and unless mentioned by workers, specific findings cannot today be directly linked to the fields were Nudie Jeans suppliers' source raw material.

The key issues identified for 2023 for the manufacturing sector are: Low wages and lack of work. Refugees remain a vulnerable group where reports regarding lack of worker permits and discrimination.

Much of the incoming material mirrored the ex-

treme happenings that Türkiye faced during 2023, such as the earthquake February 6th, floodings, wildfires and inflation. The earthquake devastated areas of Türkiye strongly associated with cotton cultivation and textile industries. Sağ Salim provided posts of instructions on what to do during an earthquake and how to find post-earthquake relief aid and resources. The program also provided information on phone-numbers to access resources for earthquake victims.

Incoming reports from the planting and harvesting season of cotton in the Izmir area concerned low wages, delayed payments and poor living conditions. Other complaints were about employees not offering transportation, food or sun protection. During July the temperature surpassed 40 degrees. As measles was common among agricultural workers during this period, the program provided information on preventative measures, available treatments and vaccination centers based on the official guidelines.

Other complaints referred to lack of work and low wages in the textile and agricultural sectors, and as evidenced by the wide geography of responses, is a stubborn issue that spans the rural-urban and east-west divide in Türkiye.

In the beginning of June, the project targeted a post that centered around the closure of schools. It aimed to gauge the activities of children during



the summer months when they are not attending school, with the objective of assessing the prevalence of child labor in the fields. In late November, the campaign raised awareness of women's rights and asked them if they had experienced gender-based discrimination.

To monitor the situation at the fields Nudie Jeans

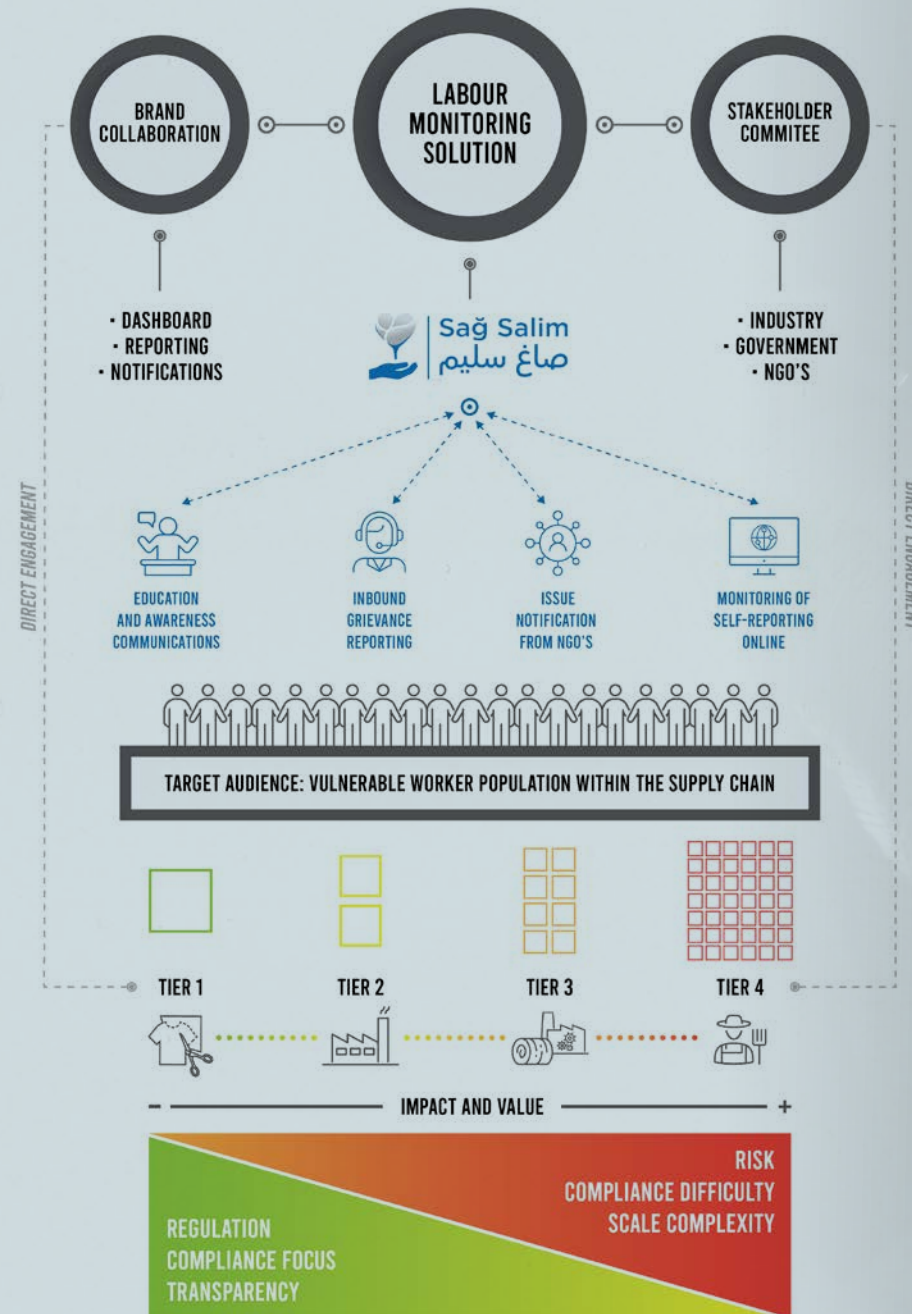
supplier source from, we collaborated with our fabric supplier to initiate 6 social audits at farm level. They were made in 2022 but were not followed up during 2023 due to travel restrictions. In 2023, we participated in online seminars and webinars on the situation for workers in specific production countries with various stakeholders in the industry, such as Fairtrade, and ETI.

Sağ Salim

Sağ Salim (which means "safe and sound" in Turkish) is a due diligence program developed in 2020 by Outland Denim in collaboration with Precision Solutions Group (PSG) to support the most vulnerable workers in the garment industry's supply chain. Nudie Jeans has been part of the program since 2020. The program actively seeks out instances of deliberate exploitation, slavery, and unsafe working conditions and puts methods in place to resolve them. The targeted areas include, but are not limited to, organic cotton farms in the Izmir region of Türkiye, from which the cotton for Nudie Jeans' denim is sourced.

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.

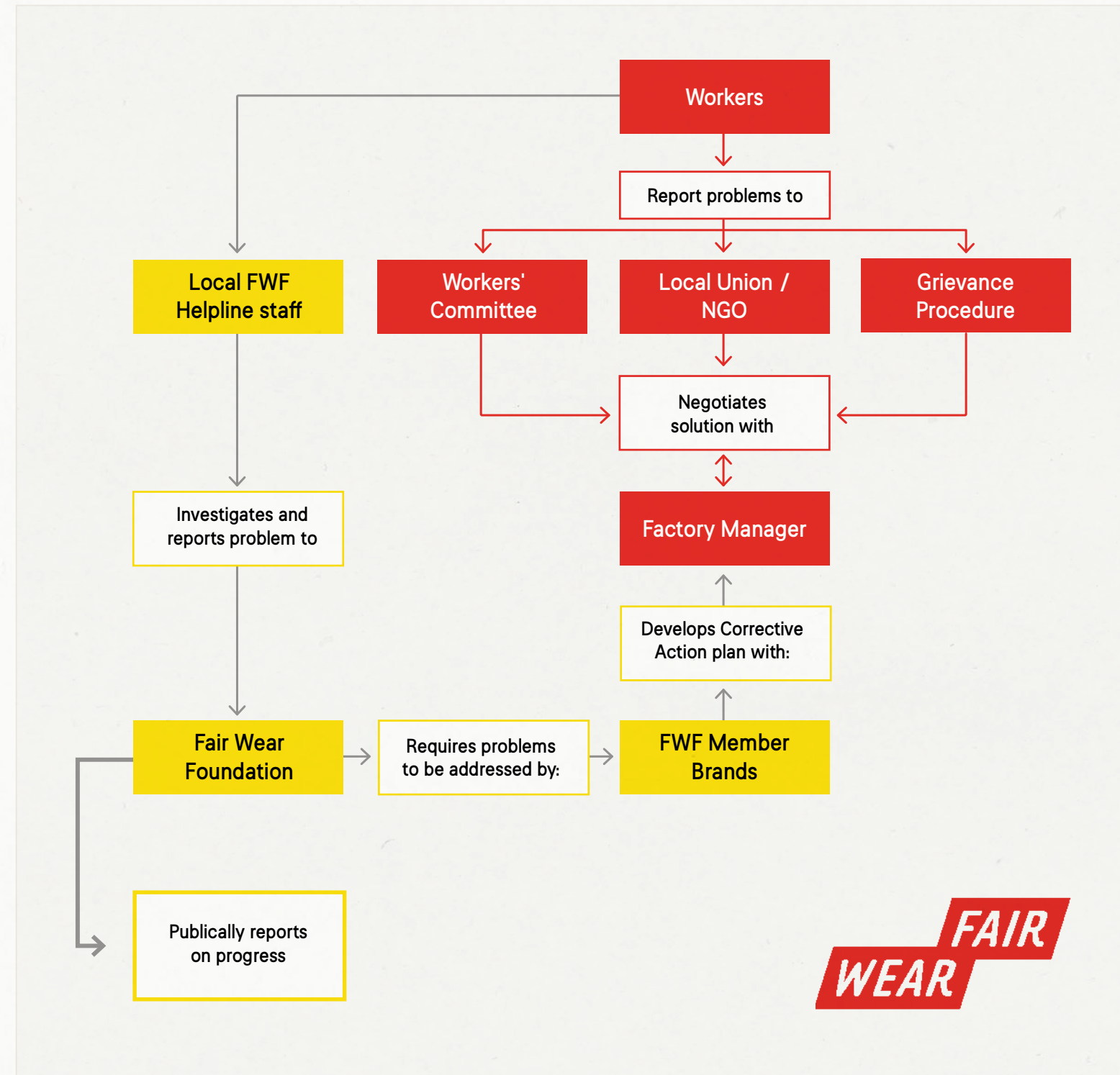
Sağ Salim framework developed by Precision Solutions Group and Outland Denim.



Grievance system

In each tier 1 factory there is a poster with information on labor practices in the local language, and the phone number of the local complaints' handler. It can be used by any employee at a facility where Nudie Jeans has production. If a complaint is raised, we are obligated to investigate it with the factory and push for the necessary remediation. The publicly available complaints report on FWF's website has categories such as "new," "under remediation," "resolved" or "closed" to ensure transparency throughout the process. We consider a high number of complaints to be a positive sign; it shows that workers understand their rights and have the courage to file a complaint. The number of complaints kept on a low level for another year, In 2023, no complaints were received. Reports on complaints from previous years are publicly available on FWF website.

The absence of complaints was initially a concern of low grievance awareness levels at our suppliers. During the previous year, we have increased efforts with trainings, visits, consultations with local NGOs and ensuring that employees can access the complaints number in the factory or dormitories. We consider that the actions taken to raise awareness have been adequate. The FWF complaint system is illustrated to the right, and it shows the path a complaint may take within the FWF complaints system.



Supply chain transparency

An important part of being a sustainable brand is having increased transparency internally and for customers and the wider public. Our focus has been on the social aspects of production, which refers to the transparency of how and where production takes place. Being transparent about our production locations enables us to address any non-compliances and to take responsibility in our supply chain. Anyone interested in our production can find detailed information on our website, where we have published the full list of suppli-

ers. In addition to name and locations, we also provide additional information on the gender division of the workforce, the production leverage at tier 1 suppliers, whether a collective bargaining agreement is in place and whether there are active committees in the factory.

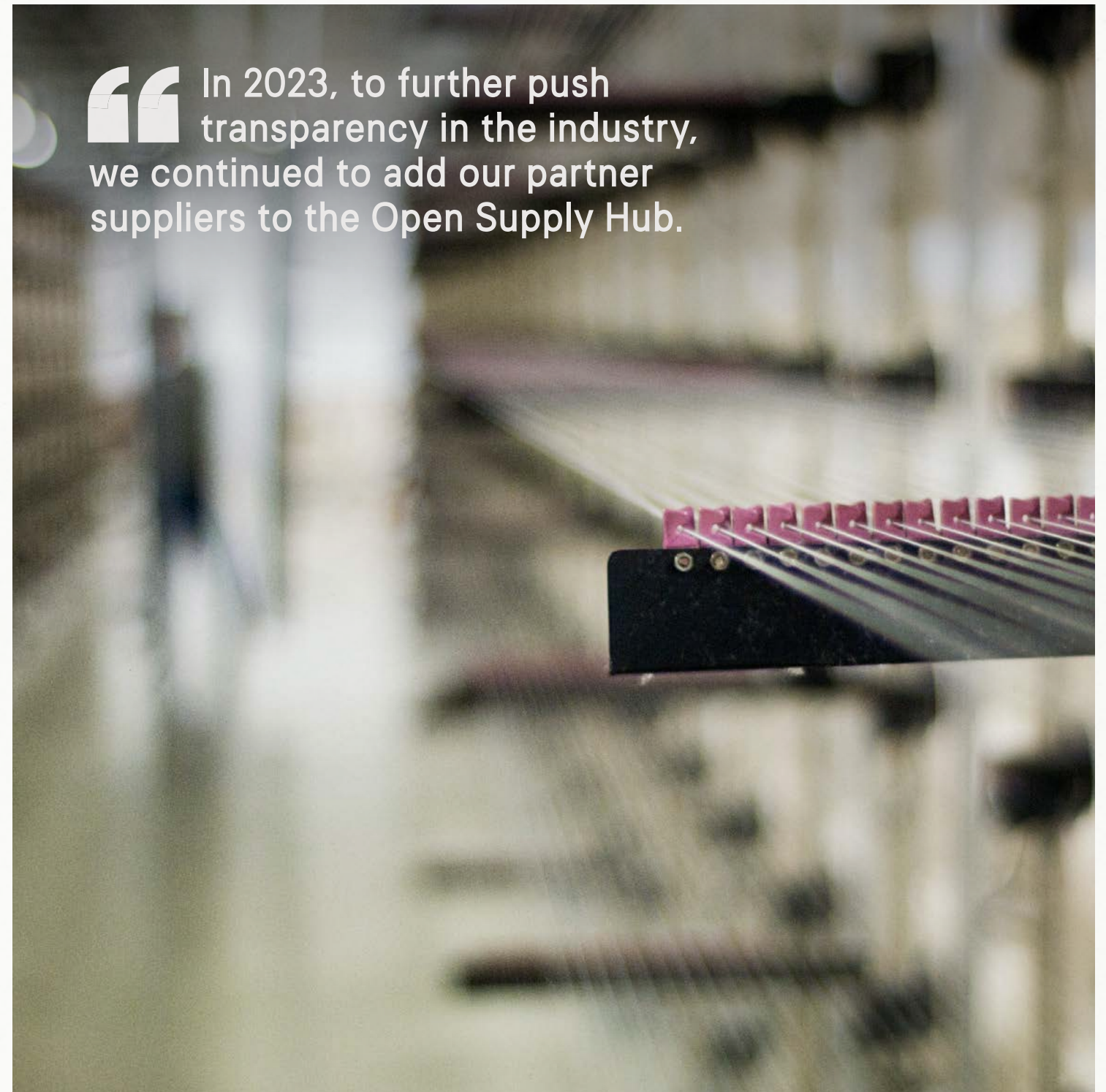
We support the Transparency Pledge, and a full list of our suppliers is available for download on our website including suppliers from the raw material stage to sewing of the garments. Presenting this amount of information is unique. At the time of this writing, we have about 35 sewing and making suppliers, and 16 subcontractors for laundry, printing, and embroidery. In addition, we have about 49 suppliers involved in the fabric and material process, 19 trims suppliers and 25 raw material suppliers.

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

The need for increased transparency in the textile industry

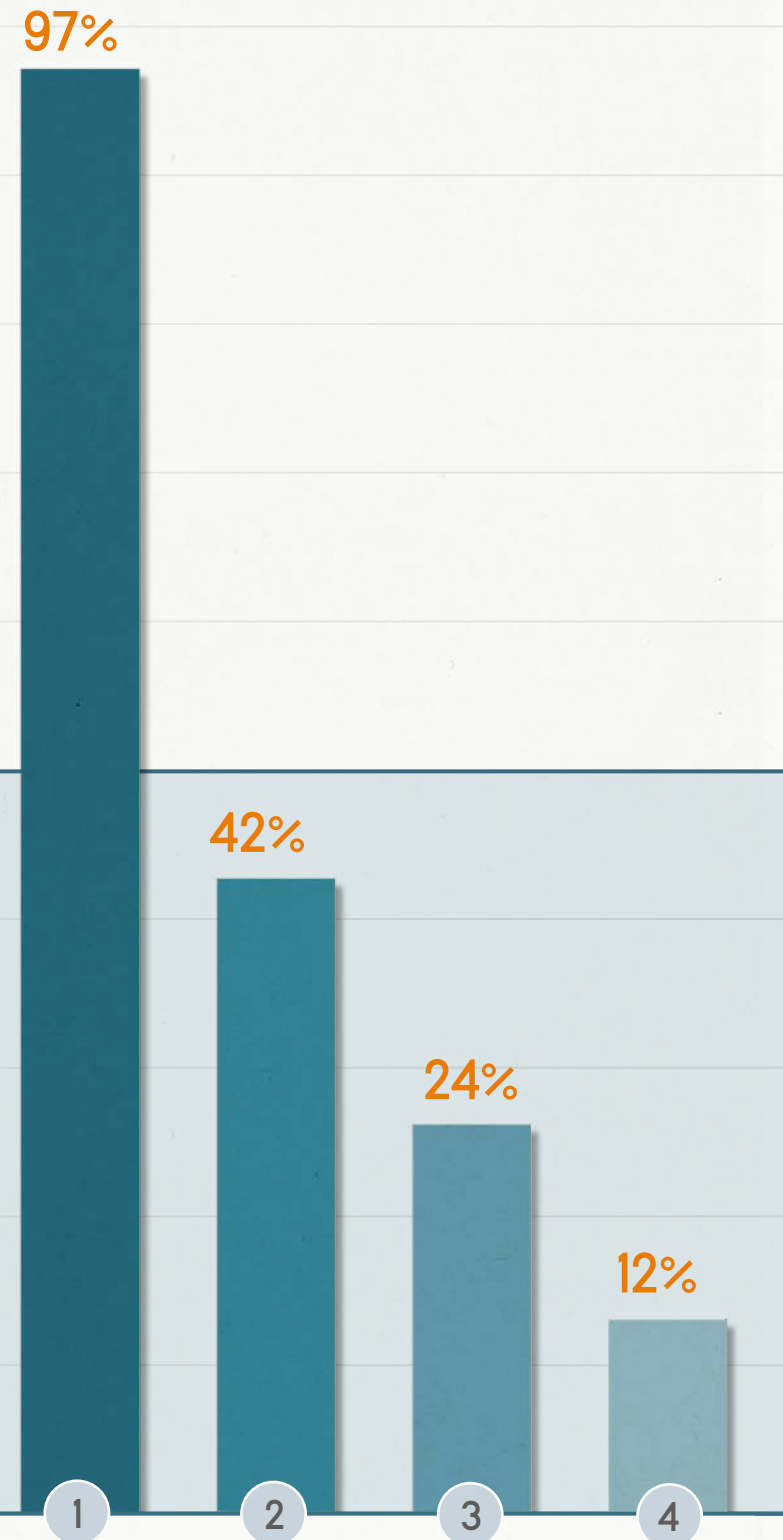
We believe transparency in the supply chain is a crucial part of making lasting improvements in the supply chain. If brands do not know where or how products are made, it will be impossible to make any improvements to the conditions in the supply chain.

We believe in showing the full supply chain, and not only the first tier of suppliers. We also believe more data should be added to each supplier, to create awareness among consumers of the environmental and social aspects of the products they buy.



“ In 2023, to further push transparency in the industry, we continued to add our partner suppliers to the Open Supply Hub.

It is important to us to visit the supply chain partners that produce our products, to understand the conditions in which our products are made and to build relationships. As seen in the illustration we have, over a longer period of time, visited 97% of the suppliers in Tier 1, 42% in Tier 2, 24% in Tier 3, 12% in Tier 4. In total, we have visited 49% of the supply chain including tier 1 to 4. The figures are lower than last year, which is due to more transparency in the lower tiers and the redefinition of the tier structure. In 2023, travels to Türkiye got postponed. Moreover we visited the majority of Tier 1 suppliers.



Visited suppliers in the supply chain tiers

We have defined the supply chain tiers as follows.

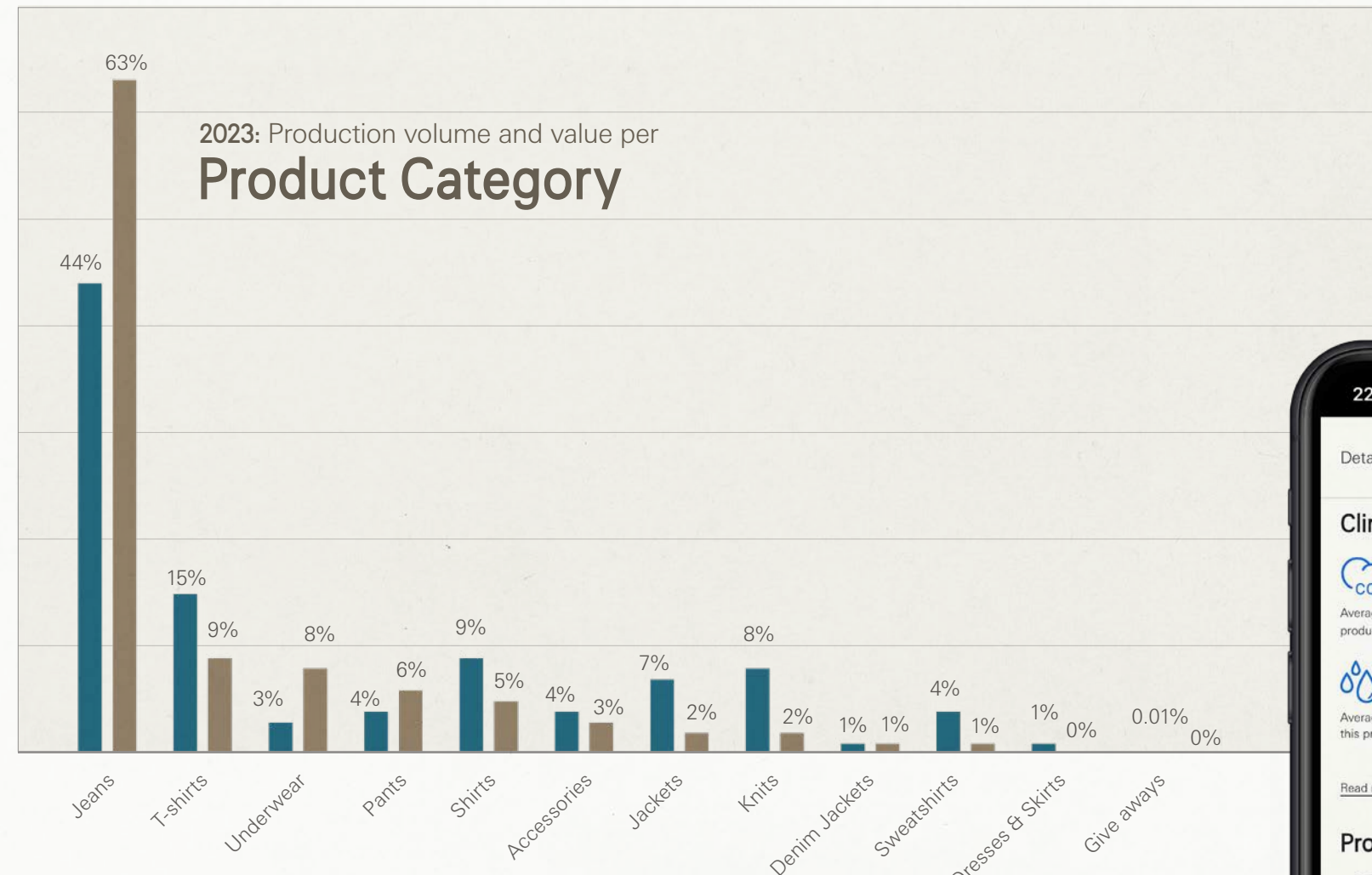
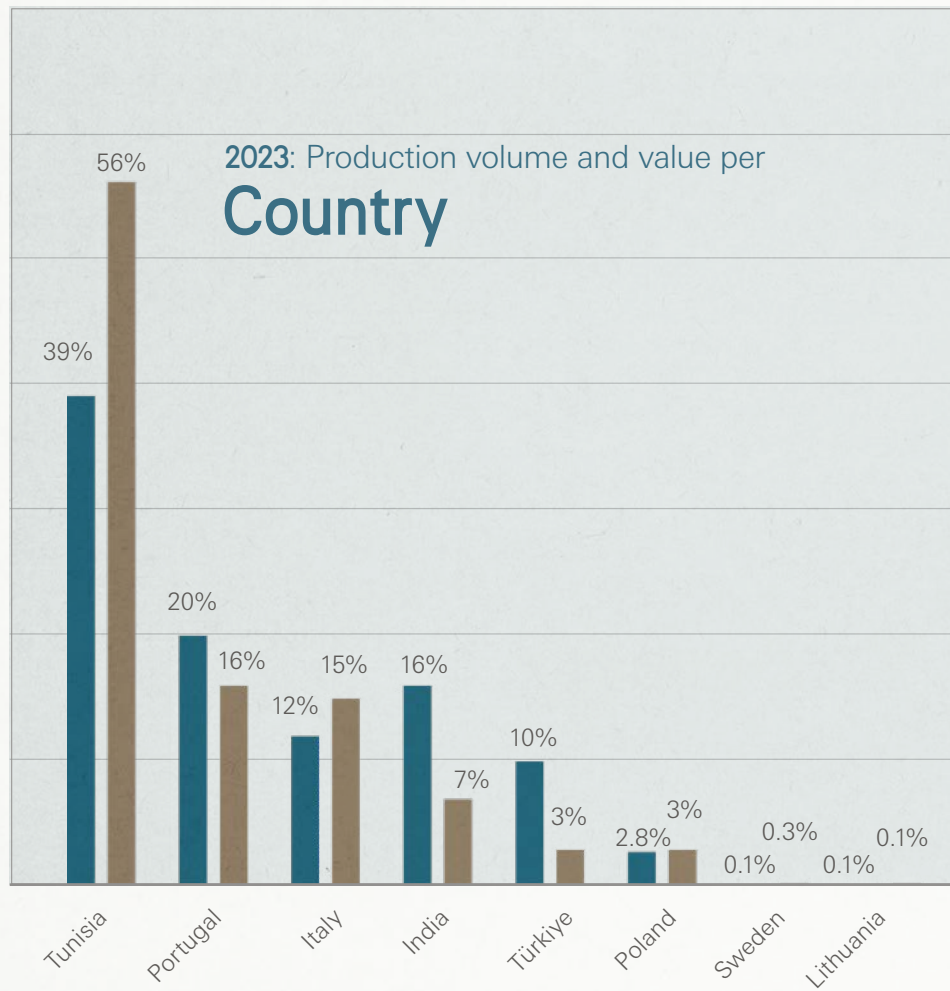
- ① Garment manufacturing and refurbishment processes: sewing, knitting, laundry, embroidery, printing, dyeing, press, packing, repairing.
- ② Fabric processes: weaving, knitting, dyeing, printing, trims.
- ③ Fabric preparation processes: spinning, shredding.
- ④ Raw material production incl. ginning.



Tunisia — our largest production country

Since initiating our collaboration with our main supplier, Denim Authority, Tunisia in 2012, we have expanded our collaboration each year. Tunisia now accounts for around 50% of our production volume annually. The increase is thanks to our smoothly running collaboration with our largest denim supplier, where we can produce washed styles at our desired price level. The vertical structure, in which cutting, washing, sewing, finishing, and packing are included in the same factory building, is also beneficial for us. In addition, they are GOTS certified, have an experienced workforce, work with high technology machinery, and have their own wastewater treatment plant. From a sustainability and production perspective, a vertical supplier is the best solution and something we actively seek out when searching for new suppliers, as it enables more effective monitoring and follow-up.

This supplier has been audited by FWF several times, most recently in late 2022. Over the years, the suppliers greatly improved many social aspects, particularly regarding health and safety, and significant investments have been made in sustainable development. The managers and staff are more involved in these new challenges and the company has engaged in numerous certification processes, including BSCI, GOTS, ISO 45001 and ISO 9001 and now in 2022 ICS, GRS and OCS certification.

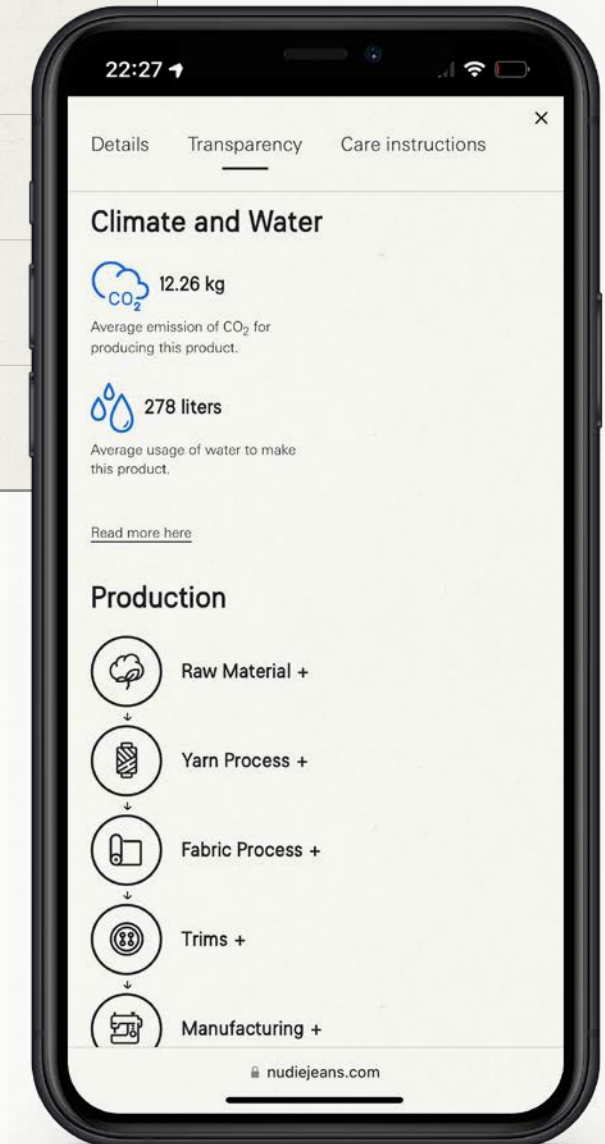


● Value
● Volume in pieces

We make a significant effort to keep our supply chain as consolidated as possible. In 2013 we developed the Production Guide. The Production Guide was an essential tool in which we presented our supply chain visually on our website, where visitors could click on product categories for detailed information about the production premises. In the Production Guide, we published information on audit procedures, materials, transportation, audit summaries and general supplier information.

In the beginning of 2023, we took the decision to close the Production Guide in its existing form and focused on the product level specific transparency found on the product card in the online shop. Visitors are able to see full transparency for each process included in the production and if the supplier has been visited by Nudie Jeans. During the year we have developed the methodology behind the CO2 emissions and water data per product, which aims to educate the consumer on the impact of each garment.

Production Country	Product Category
Tunisia	Jeans, Jackets, Shirts and Pants
Portugal	Jackets, Pants, Sweatshirts, T-shirts, Socks and Accessories
India	Leather jackets, Sweatshirts, T-shirts, Shirts and Underwear
Italy	Jeans and Jackets
Türkiye	Knits and Shirts
Poland	Accessories
Sweden	Accessories
Lithuania	Jackets



Chemicals

We recognize the need for chemicals in the production of textiles, but the challenge is to reduce the use of harmful chemicals and increase the use of non-harmful chemicals. We want all of our products to be safe for the users, for the environment and for the people who work in the production process. One way to ensure that our production is safe for the surrounding environment is to only work with suppliers with proper chemical handling procedures and approved wastewater systems, as chemicals released with wastewater are a large source of chemical pollution in some countries. Today, a majority of our denim fabric suppliers are GOTS certified, as well as our two main denim manufacturing and laundry suppliers in Tunisia and Italy. We also work with several GOTS-certified apparel suppliers in our supply chain. This is one way to ensure proper chemical management at the suppliers and to improve the health of both human beings and ecosystems.

We have banned several harmful chemicals from use in our production as a step toward creating safe products and safe working conditions in the supply chain. Among others, phthalates, alkylphenol ethoxylates (APEOs) and perfluorinated chemicals are banned from intentional use in Nudie Jeans production processes. To read more about which chemicals we have restricted in our production download the Nudie Jeans Chemical Policy. The policy includes our Restricted Substance List (RSL), which regulates chemicals that can remain in the final product, and the

“ Working with GOTS certified suppliers is one way to ensure proper chemical management and to improve the health of both human beings and the ecosystems.

Manufacturer Restricted Substance List (MRSL), which regulates chemicals used in the production process. All Nudie Jeans suppliers and subcontractors must comply with the Nudie Jeans Chemical Policy. We conduct regular spot checks with chemical testing on our products to ensure compliance, and we revise and update our Nudie Jeans Chemical Policy on a yearly basis.

The Nudie Jeans Chemical Policy is based on the European chemical legislation REACH, but our restrictions for many listed chemicals go beyond the legal requirements and are in line with best practices in the textile industry. The Nudie Jeans RSL is in accordance with, among others, the requirements of the RSL of the Apparel and Footwear International RSL Management (AFIRM) Working Group and all chemicals used in the production of Nudie Jeans' products should comply with the Manufacturing Restricted Substances List (MRSL) created by the Zero Discharge of Hazardous Chemicals (ZDHC) initiative.

The Nudie Jeans Chemical Policy, including the RSL and MRSL, forms the basis of our requirements, and we continuously communicate with our suppliers about the chemicals used, and how chemicals are handled and stored. It is important for suppliers to provide their employees with the right personal protective equipment (PPE), and to offer training to increase awareness and knowledge of how to use PPE correctly and why doing so is important, as well as on safe chemical handling and procedures.

Water

Water is one of our most important resources. Access to clean and safe water is crucial for our continued well-being and our existence. As an active player in a very water-intensive industry, Nudie Jeans continuously endeavor to reduce water use, but most importantly, we make sure to only work with suppliers with an effective wastewater system in place, to ensure that no contaminated water reaches natural water systems and their ecosystems.

Already at the raw material stage, water use is an important issue to tackle, because cotton needs water to grow. The water consumption of cotton depends primarily on the geographic location of the cotton field, where rainfed cotton farming in a favorable climate is preferable. There is no difference in how much water the cotton plant needs to grow, in conventional and organic farming

systems. But resource effective practices, such as use of rainwater as an irrigation source, effective irrigation systems such as drip irrigation, and smaller farmland sizes, which enhances farmers' abilities to control and adapt practices depending on the specific needs of the farmland can have a reducing impact of the use of especially blue water. Practices all of which are often applied in organic farming.

Denim fabric manufacturing also involves significant water consumption and the key part of the process is fabric dyeing. We work with carefully selected fabric suppliers for our denim who all drive different internal development projects of new technology and methods to save water during the dyeing process. For production in 2023, 28% of denim fabrics were made according to the different water-saving technologies offered by our denim fabric suppliers.

i

Water concepts

Green water refers to rainwater and soil moisture that is consumed by crops and plants in the cultivation stages and does not replenish the ground water.

Blue water refers to the water that is consumed, often by irrigation, from ground water and surface water. Rainwater is excluded.



It is important to us to decrease the consumption of water in the production of Nudie Jeans products. But it is almost more important to be attentive and aware of how the water is used, how effluent water is treated, and the status of water scarcity in the region where the factory is located. All of our suppliers that work with water processes, our fabric suppliers, dyehouses and laundry units have high — quality water treatment systems in place with a controlled and proper management of the sludge. Our larger suppliers have their own water treatment plants or are connected to a common water treatment plant. Our smaller suppliers have wastewater systems in accordance with local municipalities, where wastewater in tanks is regularly checked by, transported to, and treated by the municipality.

For garment wash, and especially washed denims, we see a rapid development of water-saving methods and technologies at our suppliers. The use of laser technology to create a washed look is a very effective substitute for hand-scraping and classic water washes. Using ozone washes decreases the need for water to achieve the same look and numerous water steam machines, sandpaper drums and other creative developments decrease both water and chemical consumption at this stage. Many of our suppliers are also working to reduce the use of conventional stone washes. The issue with conventional stone washing is the large amounts of sand and sludge created and washed out with the water, which puts

higher pressure on the treatment of the water and handling of the sludge. By decreasing the use of traditional stone washing, we are also decreasing the creation of sand and sludge in the water treatment plants.

Informing our customers about how to care for their garments, to wash them less and air them more, is the final step in our work to decrease water usage. Educated customers can reduce their individual water use by following our care instructions. As we also sell polyester garments that risk releasing microplastics into water systems, we have chosen to sell the Guppy Friend washing bag in our shops and online, which captures any microplastics before they reach sewage systems.



Water saving technologies at our denim fabric suppliers

- Bossa Denim: Save Blue concept, up to 55% water reductions in dyeing process.
- Orta denim: Indigo Flow, up to 70% water reductions in dyeing processes.
- Candiani Denim: Sounddye, up to 30% water reduction in dyeing processes.
- Pure Denim: Smart Indigo dyeing technology, up to 75% water reductions in dyeing processes.

Worn looks with less water

- Laser technologies
- Ozone washes
- Sandpaper drums
- Synthetic stones

What can you do?

Nudie Jeans customers can reduce their individual water use by washing less, airing more and following our care instructions.



Water risk in the supply chain

Together with the climate consultants at 2050 Consulting AB we have analyzed the water risk for Nudie Jeans' suppliers, using the Aqueduct Water Risk Atlas, which is a tool provided by the World Resource Institute (WRI). The tool has a 5-point scale of water risk from low (0–1), low to medium (1–2), medium to high (2–3), high (3–4) and extremely high (4–5) water risk.

In regions where the water risk is low or medium, the implementation of technology to reuse water is not as urgent as in regions with higher water risk. Many of our suppliers in Europe are based in regions with a low to medium water risk, and water use and its high quality treatment plants are part of a healthy local water ecosystem.

Other suppliers are based in regions where the water risk is higher, and where using water treatment plants that incorporate technology enabling the reuse of water in a closed-loop system is much more urgent. The analysis showed that the suppliers with the highest water risk (extremely high, 4–5), are those in India. To mitigate the water risk, our suppliers have treatment plants with reverse osmosis technology that allows water to be reused into the production processes again. Reverse osmosis technology makes it possible to control and reduce salt levels in the reused water,

which is necessary, as salt, as a waste product in textile dyeing, affects the dye chemistry.

The suppliers located along the coast of Tunisia and in the Izmir region of Türkiye have a high (3–4) water risk. Our Tunisian denim suppliers are located on the coast of Tunisia, and they have been ranked among the ten best factories in Tunisia for the quality of their water treatment plant. The majority of our organic cotton is grown near the Izmir region of Türkiye, but as we only use organic cotton, the water-use efficiency is higher compared to conventional cotton farming.

For Nudie Jeans, it is important to apply this understanding of the different needs and possibilities of water handling, to be able to best engage and discuss water use with our suppliers. We must constantly work to decrease water consumption in our full supply chain, but above all, our focus must be on the parts of the supply chain where it is needed the most.

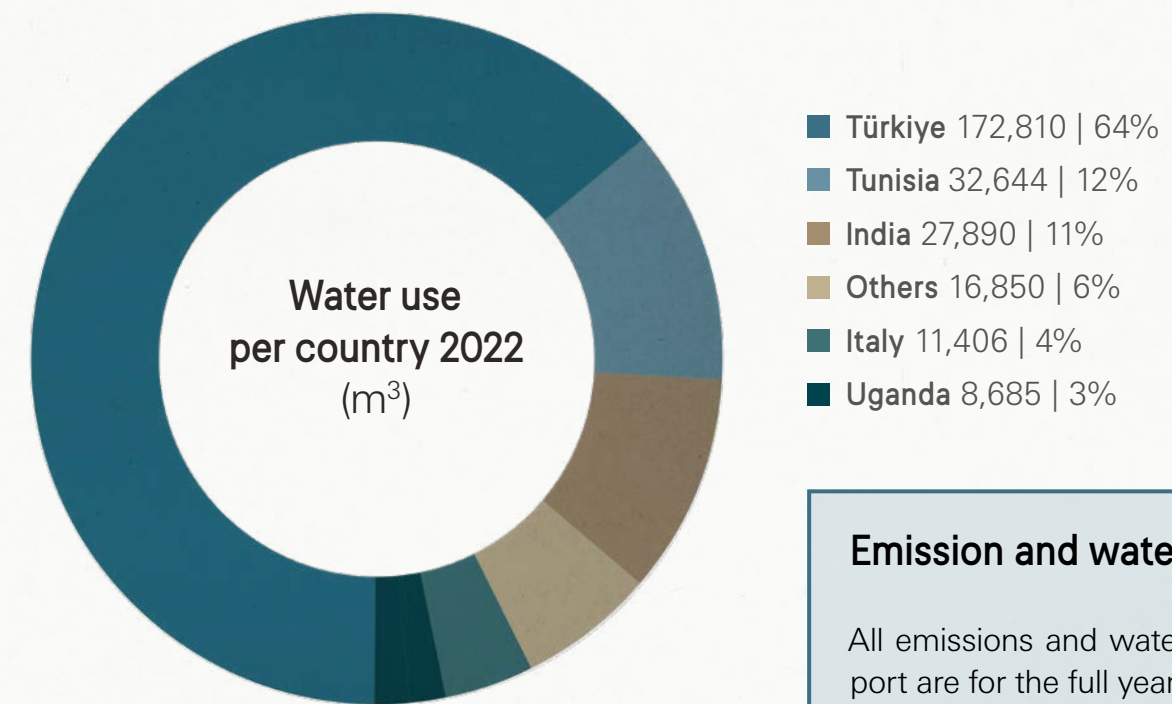
Nudie Jeans total water usage

We map the water consumption in our supply chain on a yearly basis. We do so at the beginning of each year, making the result in this report show the water consumption for the full year of 2022. The water use for Tier 4, raw material production, was calculated using Kering's environmental KPIs, while water use in tier 3-1 was calculated using primary data from our supplier as well as Nudie Jeans average, based on the collected primary data.

In 2022, we decided to use Kering's environmental KPIs instead of the previously used MSI factor for our water calculations. The reason for this change

was that the primary data we collect from tier 3-1 suppliers reflects the water consumption, while the MSI factor is based on water scarcity, i.e two different methodologies were used. Kering's environmental KPIs methodology is closer to how our suppliers are reporting water consumption. Due to the change in water factors, we will not make comparisons over time before re-calculations of previous years, using the same factors, have been made.

The below pie chart shows Nudie Jeans' water use per country.



Emission and water data

All emissions and water data shown in this report are for the full year of 2022.

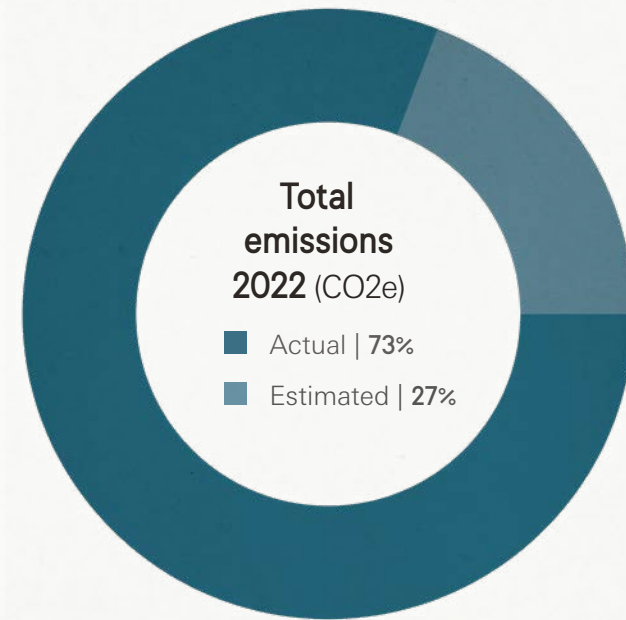


Climate

Nudie Jeans follows the Greenhouse Gas Protocol methodology in our yearly emission calculations¹⁴. This means we cover scope 1, 2, and 3: our own emissions and energy use, as well as emissions from the full supply chain, transport, and the user-phase of our products. 2023 was the fifth consecutive year we mapped the full emissions of our business (covering the emissions for 2022), and we measured our progress against our base year 2018. We have continued our engagement in the Swedish Textile Initiative for Climate Action (STICA), which is an important initiative for learning, benchmarking, and developing climate work in the Swedish textile industry.

Mapping our climate data on a yearly basis, with a significant share of actual data, has enabled us to compare data points over the years and correct and clarify possible mistakes in the reported data. The data quality is therefore improving each year.

We have aimed to collect as much actual data as possible to track changes made by our suppliers over the year. 73% of our total emissions are based on actual data from our shops, offices, suppliers, and carriers for the full year of 2022. Estimated data accounts for 27% of our total emissions. For suppliers that did not report actual data, we have been able to use reported data from previous years, but recalculated in accordance with the production for 2022. We have prioritized secondary data as below:



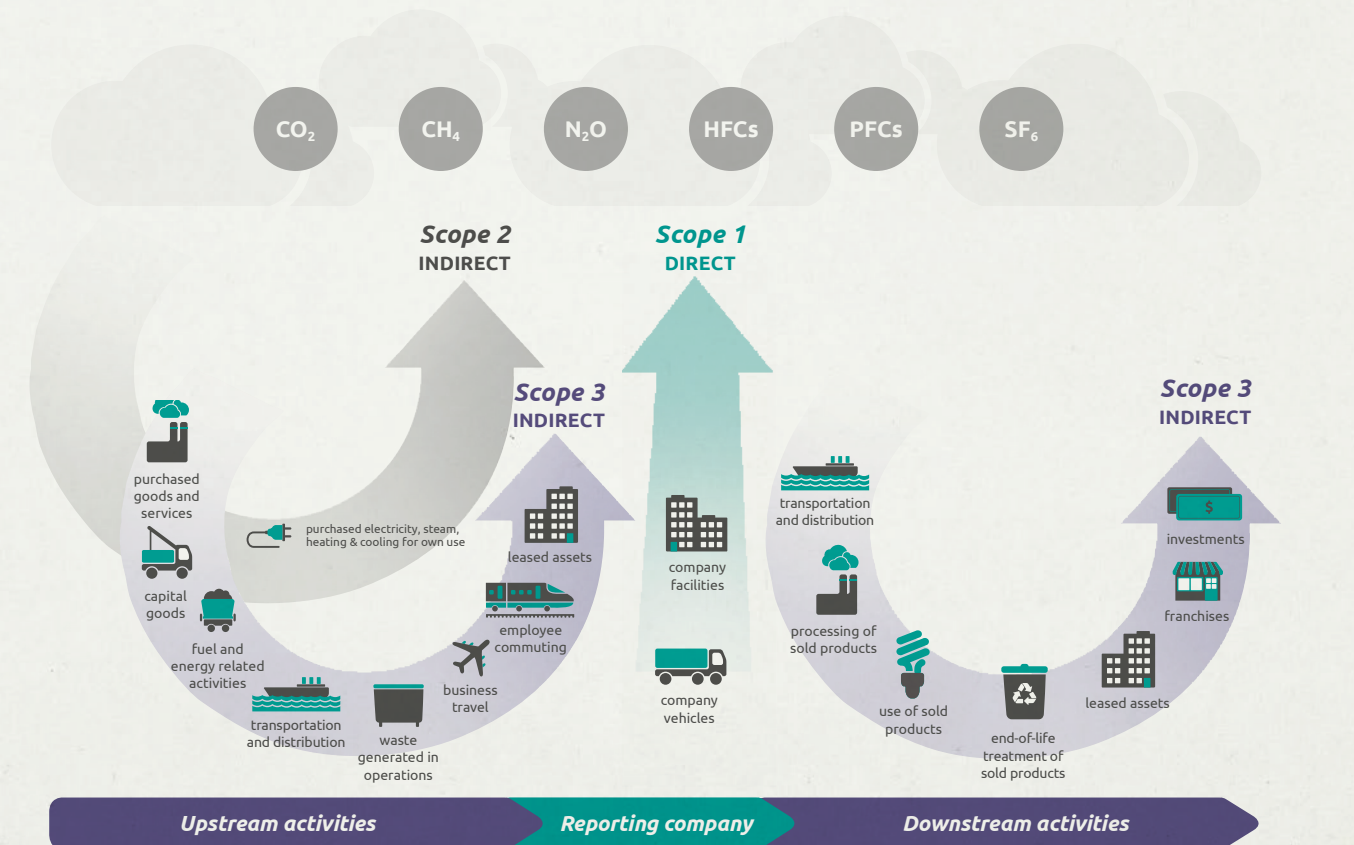
1. Reported data from the specific supplier from the previous year(s) but recalculated based on the production volumes for the entire year of 2022.
2. Average data based on reporting suppliers in Nudie Jeans' supply chain carrying out similar production processes within the same tier.
3. We used global standard values from the Kering environmental KPIs or Higg MSI when secondary data was unavailable based on the premises above.
4. Material weight and Higg MSI standard values were used for calculating emissions from raw material stages.

The result of our emissions mapping for the full year of 2022 is presented in the chart on the next page. When we map and calculate our business' full emissions we are following the Greenhouse Gas Protocol methodology.

14. → [Greenhouse Gas Protocol](#)

Overview of the GHG Protocol scopes and emissions across the value chain.

- Scope 1**
Nudie Jeans direct CO₂ emissions.
- Scope 2**
Nudie Jeans electricity use and other indirect CO₂ emissions.
- Scope 3**
Nudie Jeans full supply chain, transports and other indirect CO₂ emissions.



Nudie Jeans is a member of the Swedish Textile Initiative for Climate Action (STICA). We have committed to reducing our absolute greenhouse gas emissions in: **Scope 1 and 2** by 51% by 2030 from a 2018 base year and **Scope 3** by 51% by 2030 from a 2018 base year. (excluding emissions from the "user-phase" emission category.) This commitment is aligned with what is required by scientific consensus to stay within the 1.5° C warming pathway.

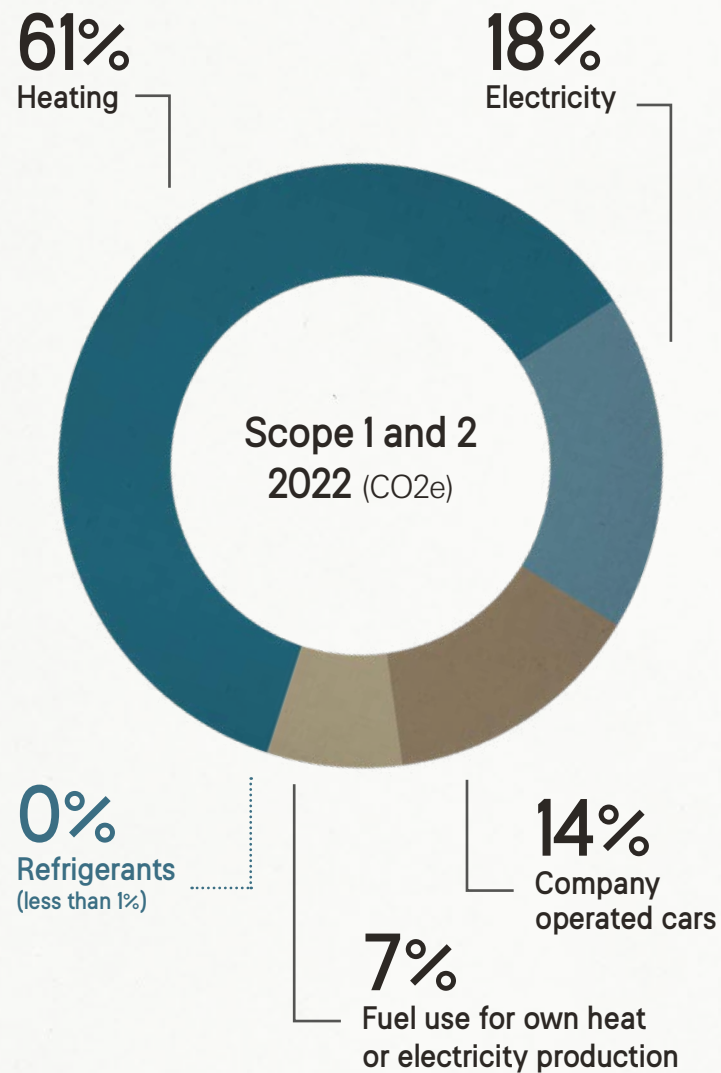
Nudie Jeans climate impact 2022 (CO2e)

Emissions category	Scope 1 (ton CO2e)	Scope 2 (ton CO2e)	Scope 3 (ton CO2e)	Total emissions (ton CO2e)	Share of total (%)
Business travel	22	0.01	268	289	3%
Company operated cars	22	0.01	6	28	0.3%
Flights	—	—	250	250	3%
Hotel nights	—	—	11	11	0.1%
Other travel	—	—	0.7	0.7	0.01%
Energy use within own operations	11	123	21	155	2
Electricity consumption	—	28	10	38	0.5
Heating	—	95	8	104	1%
Cooling	—	—	—	—	—
Fuel use for own heat or electricity production	11	—	2.4	13	0.2%
Refrigerant leakage	0.2	—	—	0.2	0%
Purchased goods and services	—	—	4,326	4,326	51%
Production*	—	—	4,195	4,195	50%
Transports in production	—	—	9.7	9.7	0%
Packaging material	—	—	122	121.8	1%
Transport and distribution	—	—	2,596	2,596	31%
Air freight	—	—	2,460	2,460	29%
Road freight	—	—	127	127	2%
Sea freight	—	—	8	8	0.096%
Rail freight	—	—	0.6	0.6	0.01%
User-phase	—	—	1,059	1,059	13%
Energy use	—	—	494	494	6%
Transports	—	—	565	565	7%
TOTAL	33	123	8,270	8,426	100%

* Production includes emissions from electricity consumption, fuel consumption, estimated emissions from suppliers that did not answer the questionnaires sent out, estimations for trims, and 3PLs

Scope 1 and 2

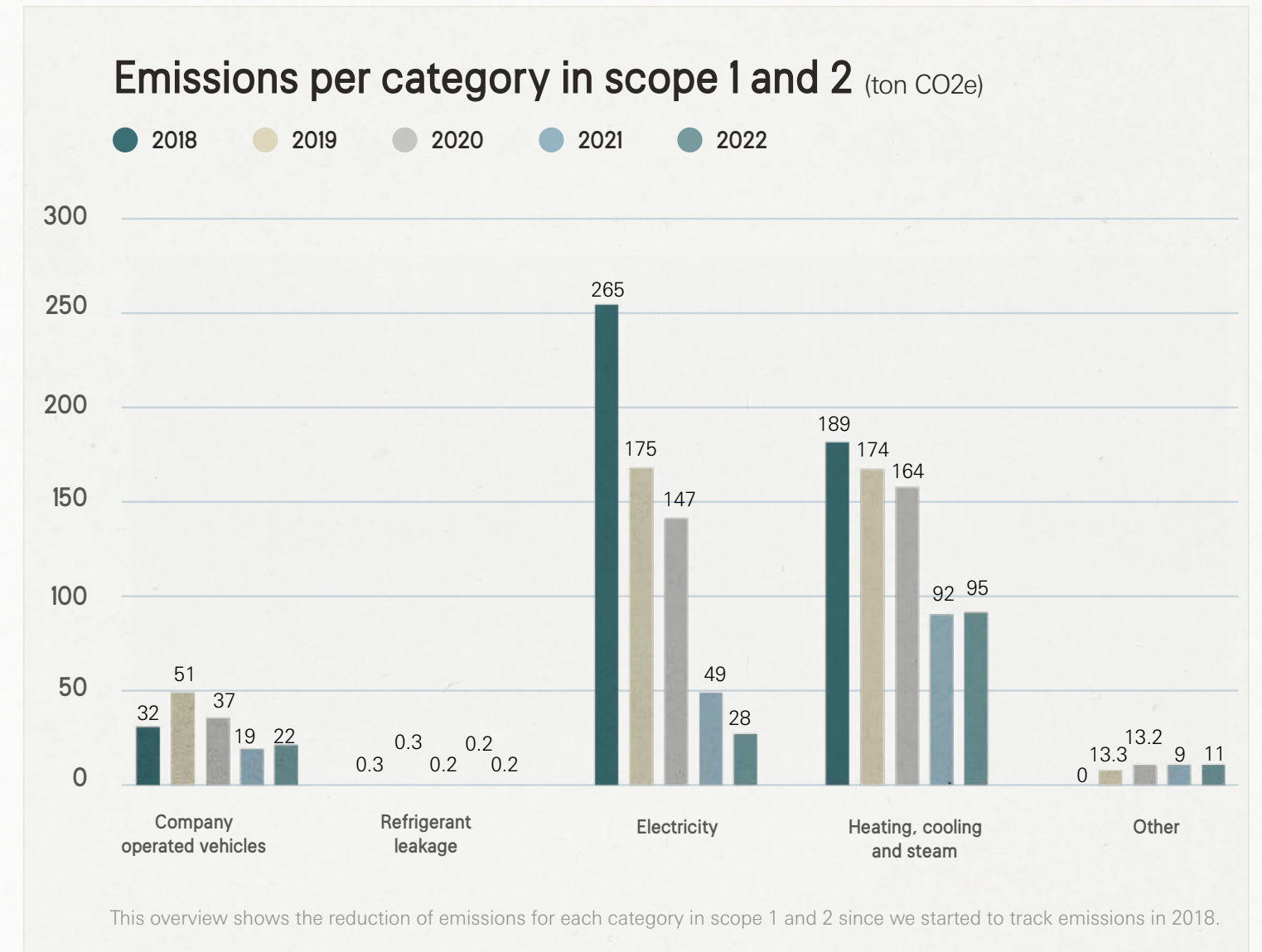
According to the Greenhouse Gas Protocol, direct emissions from company-operated cars, direct heating and refrigerant leakage in Nudie Jeans' facilities are included in scope 1, while electricity for heating, cooling and general electricity consumption is included in scope 2. Emissions in scope 1 and 2 stands for 2% of Nudie Jeans' full emissions.



In scope 1 and 2, we have a more direct impact and greater resources to shift toward using only renewable energy in our Nudie Jeans Repair Shops, sales offices and head office. For the full year of 2022, our electricity from renewable energy sources amounts to 434,298 kWh, which stands for 88% of all electricity used, and 39% of total energy use (including energy for heating) in scope 1 and 2. Increased use of renewable energy in our stores and offices, as well as the purchased Renewable Energy Certificates has played an important part in the 68% decrease in emissions in scope 1 and 2 since the base year 2018.

The decrease of emissions in the heating, cooling and steam category in 2021 was partly due to a change in methodology, where we in 2021 and forward started to report heating from electricity, under electricity and not heating. This does not affect the overall result, only changing which category the emission is reported under. In 2022, we continued to work toward converting more of the electricity contracts for our stores and sales offices to subscriptions of 100% renewable electricity. In markets with a limited supply of renewable energy subscriptions, investments in Renewable Energy Certificates are accepted as a temporary alternative solution. Our emissions in scope 1 and 2 were mapped and calculated in collaboration with the climate consultants at 2050 Consulting AB. The data-gathering process was facilitated by the sustainability reporting platform Worldfavor, where all of our stores and offices reported their data.

Emissions from scope 1 and 2 have decreased by 68% compared to our base year 2018.



Scope 3

In 2023, for the fifth year in a row, we continued to map all of our scope 3 emissions, indirect and direct emissions from upstream and downstream activities in the supply chain, assisted by the climate consultants at 2050 Consulting AB. Total emissions from scope 3 in 2021 show a decrease of 12% compared to our base year of 2018. Emissions in scope 3 account for 98% of Nudie Jeans' total emissions.

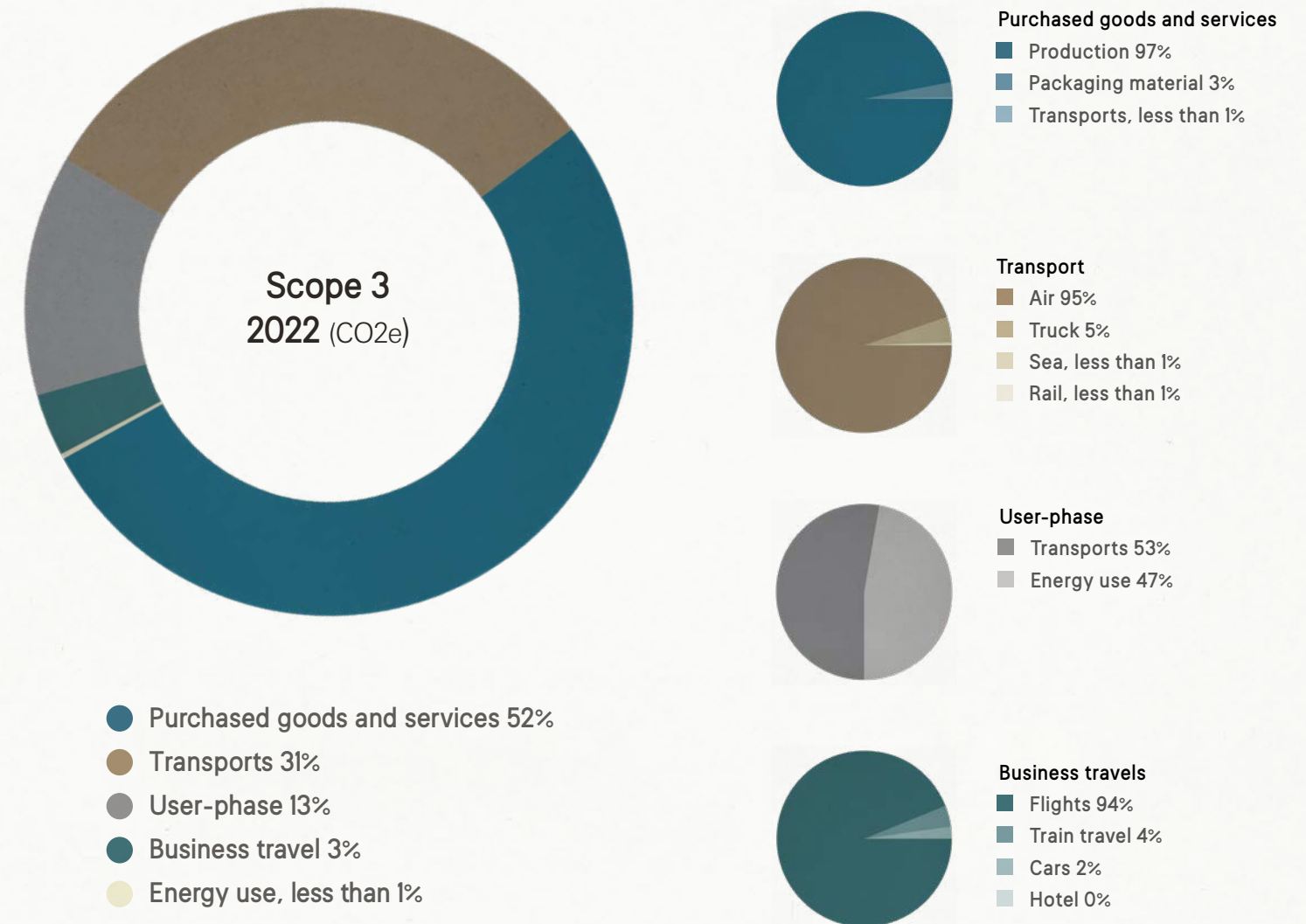
Emissions from the "Purchased goods and services" category decreased by 28 % compared to the base year 2018, and 8 % compared to 2021. The main reason for this decrease is a reduced production volume during these years, and increased use of renewable energy, including the purchase of Renewable Energy Certificates in parts of Nudie Jeans' supply chain.

Emissions connected to the "Transport and distribution" category increased, by 9% since 2018, and by a slight 1% decrease in emissions since 2021. The emission per tonne-kilometer has increased since last year and as a majority, around 98%, of the emissions from transports, come from the carriers' own calculation, the higher emissions per tonne-kilometer are dependent on their data and methodology. Unfortunately, we have also seen a general increase in the use of air freight since 2018. However, actions were taken in 2023 to decrease its use, the results of which will be apparent in the 2023 years' data. It is worth noting that we have received more detailed data from some carriers since 2021, which has made it difficult to com-

pare the exact data over time. A slight decrease in the "user-phase" category is also evident, which is influenced mainly by where our garments are sold and used, as this is closely linked to emissions from the grid mix in the specific country.

In 2023, we have had a number of individual follow-up meetings with the most important suppliers in our supply chain to discuss their contribution to Nudie Jeans emissions and what actions they can take to reduce their emissions. As 51% of Nudie Jeans' total emissions come from our suppliers, the most important work we can do is to support our suppliers in their transition to working with renewable energy.

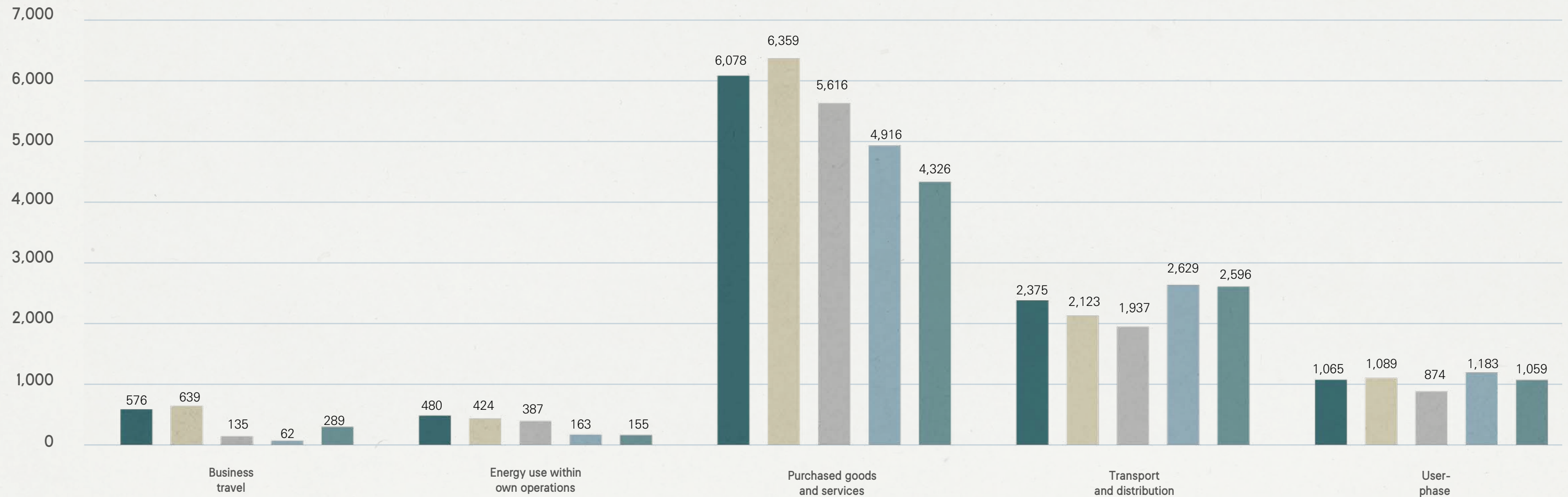
Switching to renewable energy throughout the supply chain will significantly reduce our total emissions. However, we are aware that there are national and regional challenges that can sometimes prevent a rapid shift to renewable energy. We will work towards applying the same strategy for the change to renewable energy in our supply chain as in our own stores; in markets where the supply of renewable electricity subscriptions is limited, we will encourage suppliers to investigate the possibility of investing in Energy Attribute Certificates (AECs) as a temporary alternative solution and, in the longer term, invest in local renewable electricity production through solar cells and/or wind power.



Emissions per category in scope 3 (ton CO2e)

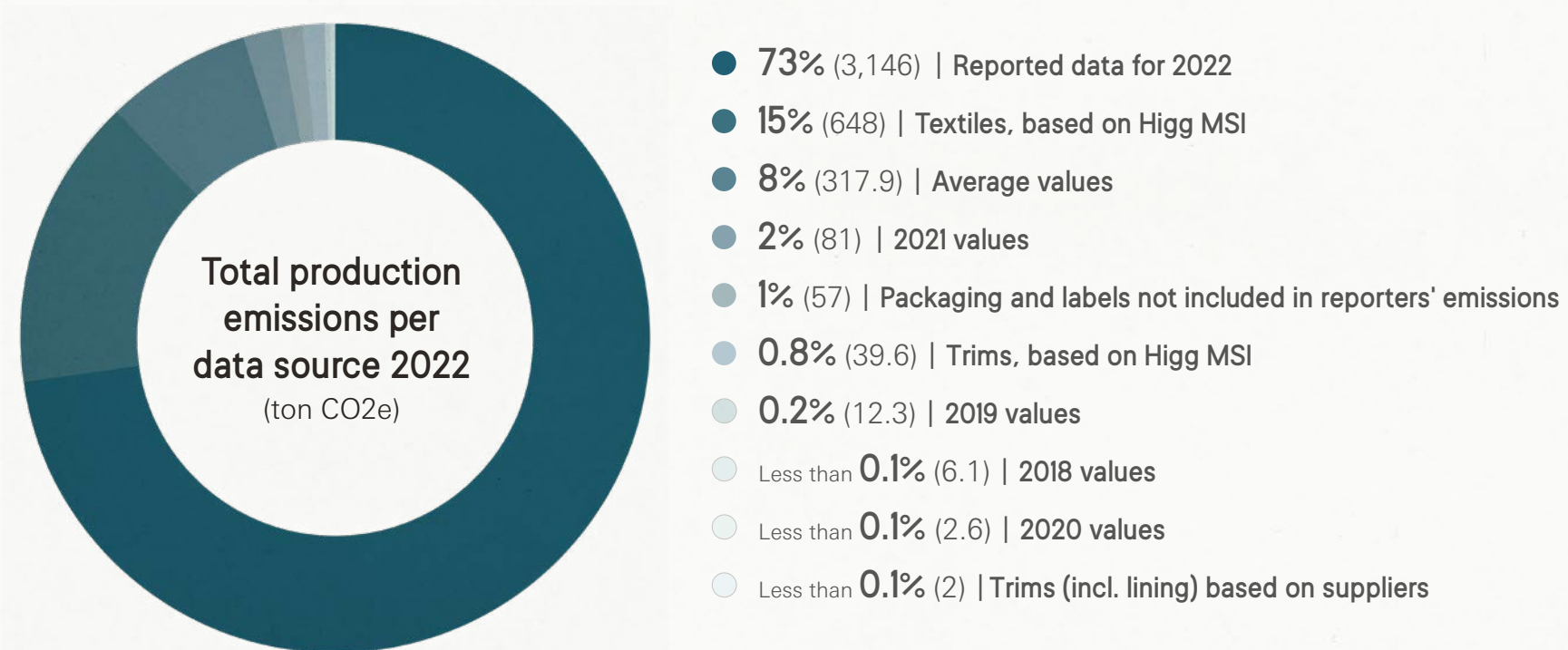
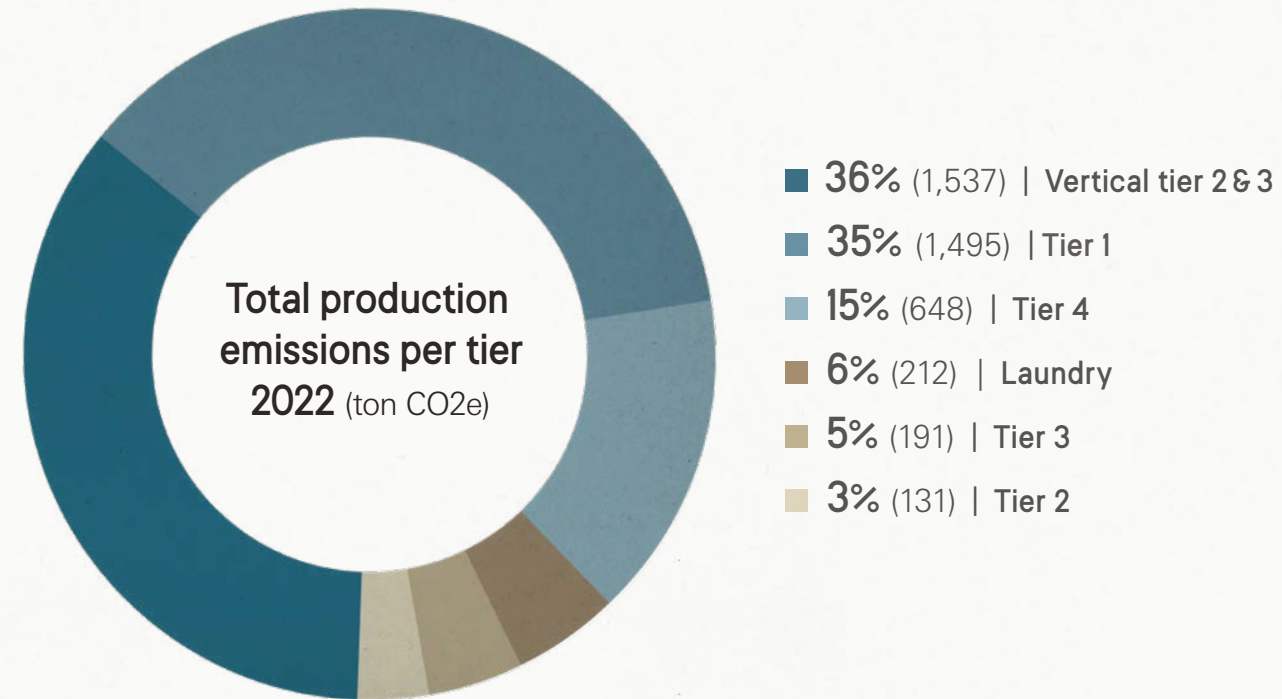
● 2018 ● 2019 ● 2020 ● 2021 ● 2022

“ The most important work we can do is to support our suppliers in their transition to working with renewable energy.



Purchased goods and services

The largest part of the emissions in scope 3 are created in our supply chain, in the emissions category "Purchased Good and Services". This category includes all emissions from the supply chain as well as emissions from transports between suppliers. Emissions from the production of packaging used are also included. Together it creates 51% of Nudie Jeans total emissions. The most energy intensive processes in our supply chain are fabric production, dyeing and laundry. The fabric suppliers, tier 2 and 3, stand for a large share of the emissions in the supply chain, but laundries and our tier 1 suppliers (including our vertical tier 1 supplier with an inhouse laundry) stands for the largest shares of emissions. The share of emissions between the tiers have changed since previous years as we see the largest shift towards renewable energy happen at our tier 2 and 3 suppliers. Moving forward we need to see our tier 1 suppliers, as well as the laundries, speed up their transition to renewable energy.



Transports

All our transports are included in our scope 3 emissions. This includes all transports between suppliers in the supply chain, incoming transports from our main suppliers to our warehouse, and outgoing transports from our warehouse to retailers and online customers. With transports to every continent, we inevitably generate CO2e emissions. Emissions from inbound and outbound transports account for 31% of Nudie Jeans' total emissions.

In 2023, we carefully mapped all of our transport flows to understand where and how we can reduce emissions by using less emission-intensive modes of transportation. We continue to work on our production planning to allow suppliers to deliver according to the established time frame, to be able to use sea freight, and to avoid having to compensate for delayed production by cutting transport time through the use of air freight.

For incoming goods delivered from our suppliers to our central warehouse in Sweden, we transport goods by truck, train, or sea freight. Our primary partner for inbound shipments is ALPI Sweden. We try to ship by train when appropriate. However, this option is not always possible due to shipment size and availability. Sea shipments from Tunisia and Italy to Australia increased in 2023 and are carried out with ALPI and Savino Del Bene.

For outgoing shipments from our warehouse in Sweden we strive to utilize trucks wherever possible, and when not possible we use air freight for all other destinations.

We continue to work on creating internal scorecards for the carriers we use in order to evaluate their sustainability efforts. It will be increasingly important for us to work with carriers that have active environmental initiatives if we are going to achieve the necessary reductions in order to reach our climate targets.

Transport modes inbound:

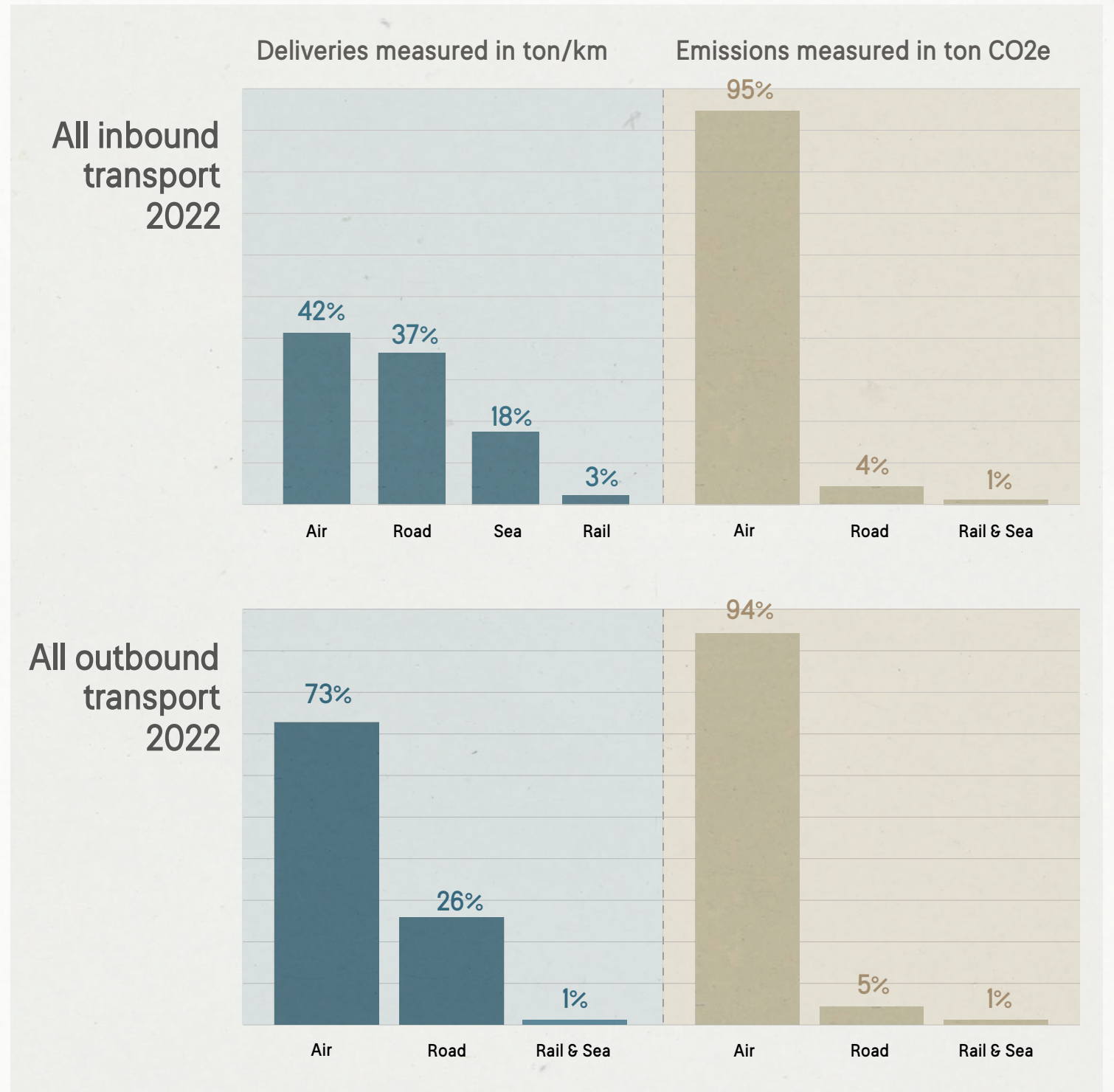
From...

- ... **Tunisia:** Sea freight from Tunisia to Italy. Truck and/or train from Italy to Sweden. Sea or air for direct transport to Australia. Sea or air for direct transport to Israel and Japan.
- ... **Italy:** Truck to Sweden. Sea or air for direct transport to Australia.
- ... **Portugal:** Truck to Sweden.
- ... **Poland:** Truck to Sweden.
- ... **Türkiye:** Truck to Sweden.
- ... **India:** Sea freight to Sweden
- ... **Lithuania:** Truck to Sweden
- ... **Sweden:** Truck within Sweden

When needed, we utilize Air freight for samples and urgent deliveries.

Transport outbound:

- Domestically within Sweden we partner with Schenker in order to supply our own Retail stores as well as our wholesale customers.
- For online, we partner with UPS, DHL Freight Budbee, Instabox, Airmee and Postnord in order to provide our customers a mix of services depending on their location and preference.
- In the UK we work with HIVED for last mile deliveries within the Greater London area, and DHL Express for domestic shipments within Germany.
- Domestically in Australia we work with Australia Post to supply our end consumers, Startrack, Zoom2U and Fastway for our own retail and Wholesale customers.



Emissions from air freight are the primary source of our transportation emissions, as seen in the numbers above. We are still largely dependent on air freight as we work with global distribution but with one main warehouse in Sweden.

In 2023, we continued to scale up our omni-channel solution, making it available in more markets. The omni-channel solution lets Nudie Jeans shops globally serve as local distribution hubs. This is an important step for reducing the rate at which online orders are shipped by air from our main warehouse in Sweden, and are sent instead from the nearest Nudie Jeans Shop via truck or fossil-free transportation method.

We are also in close contact with our carriers and are discussing sustainability developments and how to work toward solutions to decrease carbon emissions together. We have continued to highlight the shipping methods in our online shop that are better in terms of emissions to encourage customers to make a less emissions-intensive choice. Given the innovations and developments in the logistics sector, such as bike couriers and smart

delivery boxes, we see a potential to decrease our "last mile" emissions — transports from the carrier's terminal to the end customer.

To further map and analyse how we can decrease emissions connected to transports, we have in 2023, mapped all the air freight emissions from our most frequently used forwarder for our inbound and outbound logistics (UPS). The result showed us which lanes carry the highest CO₂e, and from this result, we have been able to create strategies to reduce emissions. The most important and effective action is to shift from air to sea transportation where possible with an increased focus on 3PL shipments directly from our suppliers in Italy and Tunisia to Australia, and from our main distribution center in Sweden to Australia and US.



Business travel

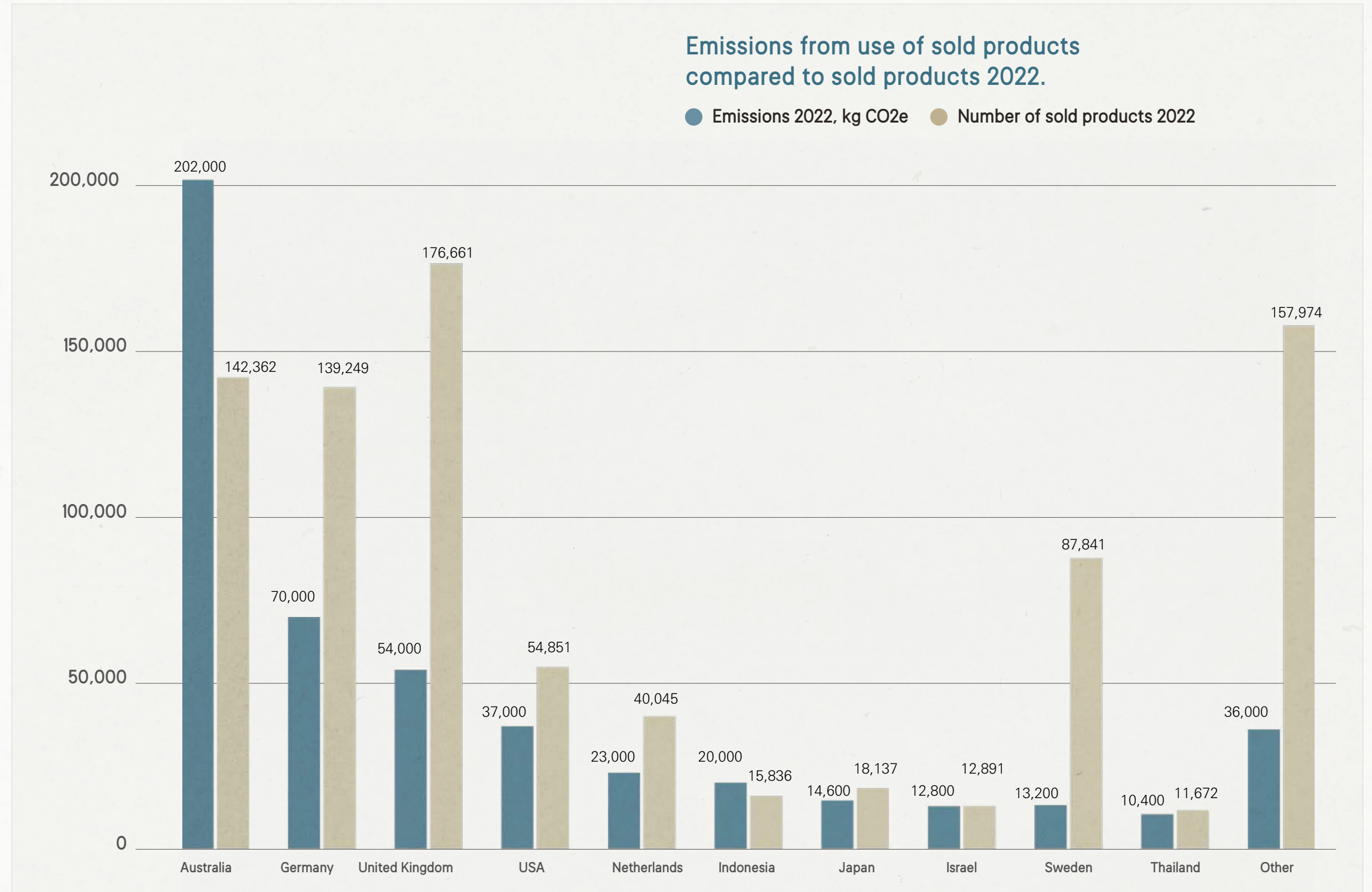
Scope 3 also includes our business travel. This emission category includes business trips in 2022 as well as generic emissions for all hotel stays that same year. Emissions from business travel have decreased by 50% compared to the base year 2018. However, compared to 2021 and 2020, when travels were restricted by the pandemic, the number of trips made as well as emissions increased again in 2022. While business travels only account for 3% of our total emissions, we have a more direct impact on and ability to influence our transportation choices. We have a travel policy that plays an important role in guiding us internally when booking business travel. We encourage train trips over shorter flights, and the use of virtual meetings when suitable. However, we keep on visiting our suppliers regularly, as we know that some discussions and inspections must be done in person. We also consider these visits important for building strong relationships with our suppliers, with continuous long-term positive effects on product development and sustainability work.



User-phase

Our total emission mapping also includes emissions generated in the user-phase of our products. The emissions from the user-phase are included in scope 3 and are based on customers' transportation to the shops as well as energy use from washing, drying and in other ways caring for the garments. To calculate these emissions, we reused the result of the 2019 customer survey, in which we asked our users worldwide how they care for, wash, and wear their Nudie Jeans garments. We reached our result by recalculating the emissions with 2022's sales number and the same user pattern in the survey. Thanks to answers from engaged users, we have been able to calculate increasingly accurate user-phase emissions connected to our denim, compared to calculations that only use general user-phase data. For our other product categories, in which survey responses were limited, we have used general user-phase data.

Comparing the emissions generated for each of our markets with the number of sold products, we can see that emissions are not directly correlated to the number of sold and used products but to the energy mix of each market. Therefore, to decrease the climate impact of washing and caring for a garment, the most important thing to do is to change the electricity subscription to renewable energy at home.

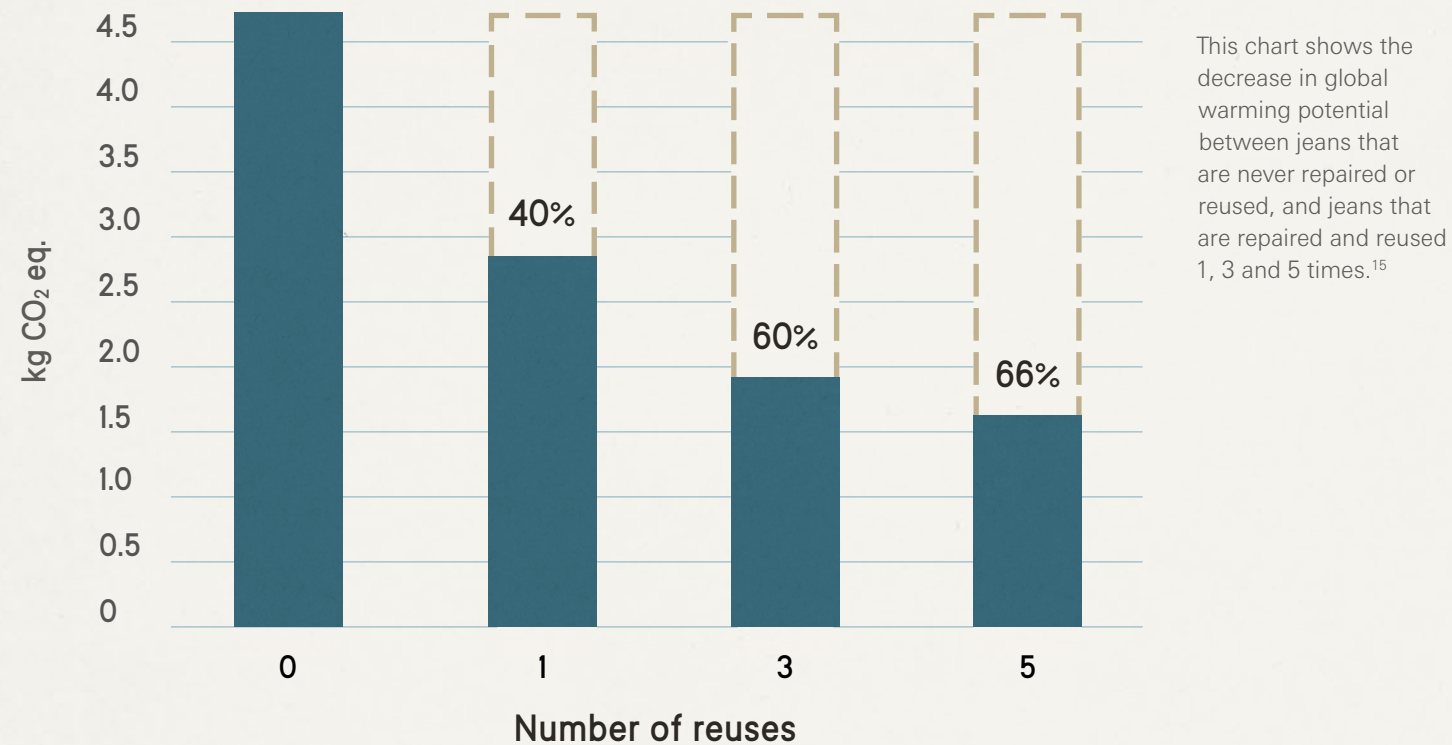




Prolonging the life of jeans — a climate perspective

Calculating potential emissions savings is tricky. We cannot include avoided emissions in our emissions calculations, but we still think it is critical to consider the importance of prolonging the life of the garment from an emissions perspective and from a general resource use perspective. A couple of years ago, we worked with two students from Chalmers University of Technology in Gothenburg who conducted

a comparative life cycle assessment that compares the impact of jeans that are never repaired and reused to jeans that are repaired and reused via the Nudie Jeans Repair and Reuse Program. Even though we cannot include these results in our emissions calculation, we think it is important to show that prolonging the life of garments is a key action that we can all take to decrease our climate impact.



15. → [A comparative life cycle assessment of Nudie Jeans' repair and reuse concept](#)

Carbon offsetting

Our climate work is a journey; we are gradually developing our strategy and actions as our knowledge and possibilities around our climate initiatives expand. We have mapped our emissions for five consecutive years and have offset our business' full emissions for four of these years. In 2023 we started to redefine our climate investment strategy with the goal of examining where our investments can make the most impact. We believe that supporting our suppliers in their work to decrease their emissions and investing in our value chain will be the most important way forward.

The emissions generated by our exports, imports and returns carried out by UPS are covered by the offsetting program UPS Carbon Neutral.¹⁶ We have been part of this program since 2016, and the carbon offsetting is achieved through different projects, such as reforestation or the development and installation of renewable energy power plants. The projects are verified by Société Générale de Surveillance (SGS). For 2022, our CO₂ emissions from UPS deliveries reached 904 tons.

Our bags and packaging supplier, Avisera, has created its own label for all their bags and packag-

es. They plant trees to compensate for the carbon emissions generated by the production process. All our bags and packaging are made under this label meaning we support their tree-planting and preserving activities. In 2023, the production of our bags and packaging generated 10.6 tons of CO₂ emissions, and to offset them Avisera protected and planted trees in the projects Envira Amazonia Tropical Forest Conservation in Brazil.

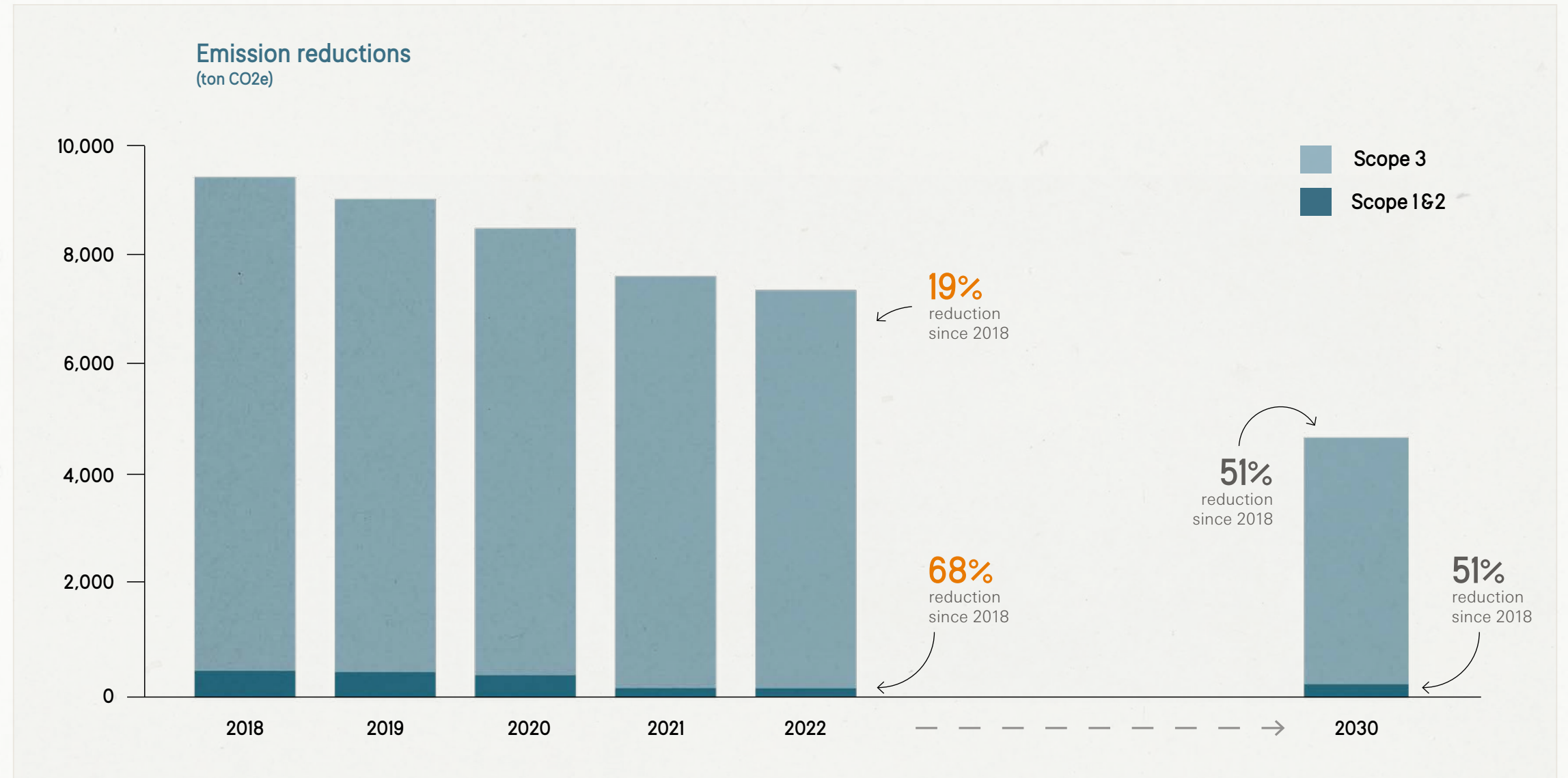
16. → [UPS Carbon Neutral program](#)

Emission reductions

Mapping Nudie Jeans' emissions for five years has enabled us to track changes compared to our base year of 2018. From the start, we have aimed to include a high share of site-specific data, which enables us to monitor changes in our supply chain, from our transports, as well as in our stores and offices. Data quality improves every year and we update previous years' results based on new and improved data points to compare the data over time.

The most important change made in scope 1 and 2 for realizing the reduction presented in the illustration was shifting to renewable electricity contracts in our stores and offices in markets where renewable energy suppliers are available. For markets with more limited possibilities, we have purchased Energy Attribute Certificates (EAC) for each specific market to decrease emissions connected to electricity use.

Emission reductions in scope 3 are mainly connected to the reduced total production volume for Nudie Jeans in the last three years. But we are also seeing a shift in our supply chain, especially with some of our key fabric suppliers, where the share of renewable electricity is increasing, both by increasing their share of electricity from their own solar cells and wind power, and through the purchase of Energy Attribute Certificates. On the other hand, emissions connected to our transports are increasing. This is connected mainly to high emissions from air freight and moving



forward it is crucial to steadily decrease the use of air freight, to be able to reach the set climate targets. To learn more about how we work with actual data, averages, and estimates, please read the beginning of the climate chapter.

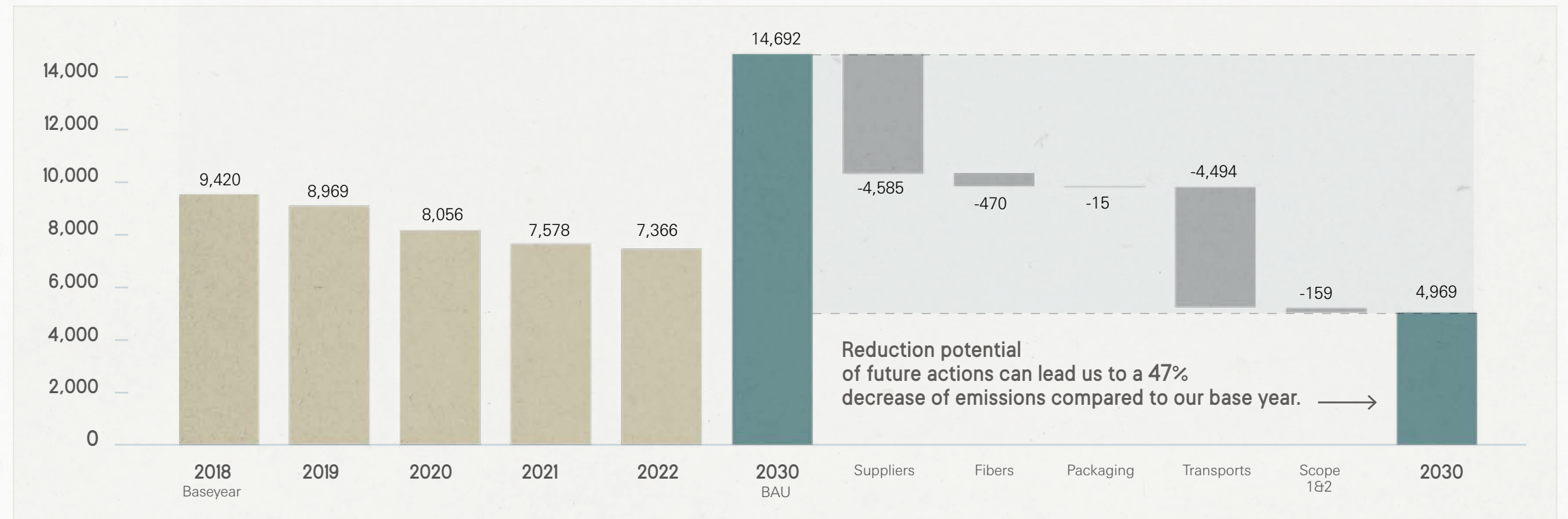
Climate Action Plan

In 2023, we continued to have supplier-specific meetings with key suppliers to discuss emission-reducing activities, internal structures for building reduction strategies, setting climate targets and plans to transition to renewable energy. The level of structured climate initiatives varies among Nudie Jeans' suppliers. Moving forward, enhancing knowledge about and supporting development toward more efficient production and the transition to renewable energy will be a primary focus.

Nudie Jeans' Climate Action Plan was developed two years ago, together with climate consultants from 2050 Consulting AB and is based on a back-casting reduction model that shows which actions are needed to reach our climate targets. The model is aligned with Nudie Jeans' absolute reduction targets, which we set based on ambitions supported by scientific consensus to stay within the 1.5°C warming pathway.

It is important to note that the model does not cover Nudie Jeans' full emissions. We excluded the "user-phase" emission category, as it still lacks standardized, credible methods for calculating emissions connected to the user-phase of garments. This is in line with the requirements of the Science Based Targets initiative (SBTi) and follows the same scope and emissions categories that are included in Nudie Jeans' climate targets.

The Climate Action Plan is highly ambitious, and as it simulates future actions, the results will be



updated for each year we progress. The main purpose of Nudie Jeans' Climate Action Plan is to showcase the necessary level of our actions in order to feed into our internal efforts and set short-term targets in line with the model, and to communicate externally that we are tackling this challenge with a high level of ambition and with a focus on actions that build toward our absolute targets.

The key actions that will bring the greatest opportunities for reduction are:

- Supporting key suppliers throughout our supply chain to transition to renewable energy.

- Reduce the use of both inbound and outbound air freight. An important action is to shift volumes of transported goods from air freight to sea freight to the Australian warehouse, both 3PL and from the Swedish warehouse. Another impactful action is to scale up the omni-channel solution that makes it possible to transport e-com orders locally from the closest local Nudie Jeans Store, instead of using air freight from the centralized warehouse in Sweden.
- Scale up Nudie Jeans' circular business model. To decouple Nudie Jeans' financial growth from resource use and CO2e emissions, we will

have to increase sales of Reuse jeans, increase our capacity to repair in order to prolong the lifespan of more Nudie Jeans garments, and scale up the collection of old Nudie Jeans garments to build a larger inflow of products back to us that can be used for resale and recycling purposes.

Product Calculations

In 2023, we continued to publish emissions and water data on product level together with our product transparency information in Nudie Jeans webshop. Nudie Jeans' product calculations are based on the specific product's supply chain and processes, weight and fiber composition. The product calculations were first published for the Fall 21 collection, but we have developed the methodology since then to stay up to date with discussions and criticism of using Higg MSI as a data source for product-level emissions.

For calculations for products from the Spring 23 collections, we changed the database for the share of emissions calculated with estimates and LCA data from Higg MSI to Kering. Kering is an index that has not faced the same criticism and where the likelihood of getting data based on regional differences, rather than global average, is higher. To increase data transparency, we have added illustrations showing the share of data sources applied for the specific product, both for average CO₂e emission and average water consumption.

For products released prior to Spring 23, MSI was used to calculate their data share based on database information. Consequently, these products will not have specific information regarding their data share. Our product calculations only show average CO₂ emissions and water use, and do not show the product's full environmental impact, including other impact categories such as eutro-

phication, acidification, and human toxicity, as included in a full LCA.

We developed the product calculation methodology with climate consultants at 2050 Consulting AB, a process we have undertaken with an exploratory mindset, in which we remain humble before the complexity of emission calculations and rapid developments in this field. We hope this increased awareness of our products' climate impact can steer consumption and garment use in a more responsible direction. We have published a methodology document explaining the calculations in more detail on our website.¹⁷

17. → [Nudie Jeans methodology for product calculations](#)



Products and user-phase

RISK AND CHALLENGES	ACTIONS	GOALS
Risk of reduced lifetime of products due to lack of repair possibilities for all our Nudie Jeans users globally.	Open up more stores and repair partners.	Open 50 new permanent repair spots, including repair shops, partner stores and repair partners by 2030 with base year 2017.
Risk of reduced lifetime of tops due to lack of resale channels.	Reuse drops, including tops.	Add Reuse tops to the assortment by 2023.

Long-term and interconnected relationships with customers are the foundation of a circular business model and our repair service is key in allowing us to cultivate that. There will never be one universal solution to the challenge of closing the loop. We need to find many different solutions, explore possibilities and create a variety of ways to reuse and recycle.

Nudie Jeans endeavors to take responsibility from the raw material throughout the entire supply chain, only then can we optimise the sustainability in the processes behind our products, but we do not stop there. In the Repair Shops, where we prolong the lifespan of our garments, we also encourage customers to adopt slower consumption patterns. We know that sustainable consumption involves an array of different actions. As part of our circular business strategy, we offer free repairs, collect post-consumer Nudie jeans, resell second hand denim in our

Reuse assortment and recycle worn-out jeans, which are all good examples of how we practice this idea. The circular activities are always with us, from decisions in the design process to the selection of fabrics, in interior design choices in our Repair Shops and as a communication tool when speaking to our users in-store or online.

Our level of sustainability, and actions to increase it, lies in our circular diversity, the longevity of our products, the scalability of our services and our continuous effort. Thanks to previous investments and the successful integration and standardization of our Repair and Reuse Program, we have made way for new visions of future circular developments. In the long-term perspective, the accessibility of these services is crucial for a fundamental change towards becoming a fully circular business. To act responsibly as a denim brand pioneering in circularity, we believe in synchronizing these actions and procurements with the dig-

itization of retail and best practice supply chain logistics and pushing for more well-balanced production and consumption patterns. This way, we contribute to shaping a new market playground while simultaneously adapting to it and accelerating the paradigm shift between linear and circular business models.

Through our close collaboration with our suppliers, retailers, e-commerce and own stores, we have identified several risks connected to our products. A couple of them are included in the Risk, Challenges, Actions and Goal structure above, but we have also identified more general risks that we work with. These risks and challenges include the quality risks of having second-choice garments,¹⁸ unsold product in stocks, recycling challenges, unforeseen events like, high return rates and misleading communication of our products to consumers. In this chapter, we cover how we mitigate, minimize, and address these risks.



The SDGs in each chapter are illustrated by the importance of the goal, where the main SDG is displayed in a larger size and the associated SDGs are smaller, based on the significance for Nudie Jeans' impact.

Our main partnerships within this field in 2023:

- Certified to LAST (research project)
- System demonstrators (research project)

18. Products that do not make it from the factory due to defects or nonconformance with design and quality requirements.

The Repair Shop



All our shops have in-house repair stations, because for us, it is just as important to care for and repair the jeans we once sold as it is to sell new ones. Nudie Jeans Repair Shops serve as hubs where our jeans are repaired, resold as Re-use products or pre-sorted to become new Nudie Jeans products through recycling. When opening new Repair Shops or renovating existing ones, we always keep a few things in mind. Where possible we try to keep as much of the original surfaces as possible. New materials are simple, solid and durable, and responsibly sourced, treated, reused or recycled.

When choosing shop interior materials, we select the most sustainable option, for instance, FSC-labeled wood to ensure responsible forestry, fiberboard with the least number of adhesives, or Carb2-certified alternative to verify that no formaldehyde was used in the production process.

Regarding finishing, such as paint, oil, and coatings, we aim to use organic or environmentally sound options and avoid hazardous treatments. We also avoid petroleum-based products for our shop fittings, such as plastics, vinyl carpets, laminate surfaces, composite materials, and thermosets.

New lights in shops are always LEDs to lower electricity consumption and when operational functionality permits, we use as many vintage and second-hand items as possible. These items include chairs, small merchandise furniture, lamps, and textiles. We only use FSC-certified wooden hangers in our shops, which have a long lifespan thanks to the durable material.

We endeavor to have control of and insight into not only our supply chain's environmental and social impact but also that of our Repair Shops. It is important to understand that our day-to-day work also has an environmental footprint and to explore mitigation methods. We have previous years worked with the third party certifications Miljödiplomering by Svensk Miljöbas and ISO 14001 for our environmental management systems implemented in our stores and offices. In early 2023, we decided to end the certification work for our internal environmental management as we felt that we had gained our significant share of key learnings and systematic improvements, and further developed our methods of gap analysing, integrating environmental goals and following up on the processes in place. Activities with a significant environmental impact, such as electricity consumption, waste separation and chemical products are mapped and reported yearly. Undergoing advisory and educational meetings and setting up communication channels for these topics are some ways we enhance and sustain our efforts.





“ We consider it just as important to care for and repair the jeans we once sold as it is to sell new ones.

Improvement plans, when necessary, are created and revised annually to drive the work forward. For instance, our CO2 emissions in Scope 1 and 2 of the Greenhouse Gas Protocol which includes our Repair Shops and offices, were reduced by 68% in 2022 compared to the base year of 2018. We will continue to review our electricity subscriptions to transition to 100% renewable electricity sources where possible. The vast majority of reductions in CO2 emissions in these scopes are thanks to the shift from fossil-based to renewable sources for our business domestic electricity subscriptions. In 2023, two additional Australian Nudie Jeans' stores changed to 100% renewable electricity contracts. Another important driver of

reductions was the purchase of Energy Attribute Certificates (EAC) for each specific market. For the full year of 2022, 88% of all electricity used in our stores and offices came from renewable sources. We regularly provide the Repair Shops covered by the environmental management system with internal or external sustainability training.



Break in

No matter how your Nudie Jeans looked when you bought them, they all began as a pair of dry denim. Our jeans are not designed to be worn a few times and thrown away. We cherish well-worn and mended jeans, jeans that become a part of us after years of wear, like a second skin. At every stage, from harvesting the cotton to indigo dyeing, weaving and sewing, men and women worked hard to create our products. That is why we value the product so highly and will always believe in the value of repair and reuse. We recommend our users to wear their dry Nudie jeans for at least 6 months before the first wash. The outcome depends on who you are and how you live life in your jeans, but regardless of lifestyle, your jeans will be a log of time that has passed, and will end up as one-of-a-kind, shaped by you. Not washing your jeans too often is an important part of the break-in process and for avoiding unnecessary tearing on the cotton fibers. Airing instead of washing will also save water.



Never worn.

Worn for 11 months.

After first wash.

Repair

No matter when or where they were bought, every pair of Nudie Jeans comes with the promise of free repairs. This is not only about mending our users' favorite jeans; it is also about prolonging the lifespan of the denim. Repairs are deeply rooted in our DNA. It encourages people to care about the true value of the garment, which is a fundamental part of an incentive driven and decelerated consumption culture. In our Repair Shops, we offer free repairs of all Nudie jeans, but if visiting a Nudie Jeans Repair Shop is not possible, free Repair Kits are available to order from our website. The Nudie Jeans Repair Kit contains thread, patches, and other essential items for DIY repairs.

In 2023, we brought out the sewing machines on wheels again. Our Mobile Repair Stations traveled to different locations spread out across Sweden, Germany, the Benelux, France, Switzerland and Japan, fixing 1,984 pairs of Nudie Jeans on the road. We also have an integrated Repair Partner concept, in which key wholesale partners are given the tools and are entrusted to partake in and support our circular activities. Our Repair Partners make our repair service more accessible and are part of scaling up our circular capacity.

In 2023, our Repair locations repaired a total of 73,368 pairs of jeans, an increase of 12% compared to 2022, and our all-time record. The global repair average in our Repair Shops was 1,830 which also is a noteworthy increase from the year

before at 12%, considering the already high level of repairs per unit.

During last year, we also launched our updated and simplified version of the free Repair Kit. The iron interfacing has been removed, the colors of the three denim patches have been updated for optimised universal fit and the metal coils for the threads have been replaced with a paper solution. Overall, our Repair Kits are the same with a slightly improved touch. In 2023 we sent out 1,425 Repair Kits, compared to 1,142 in 2022.

Advanced Clothing Solutions

2023 was the second year of our partnership with our first-ever circularity partner, Advanced Clothing Solutions (ACS). Located outside of Glasgow, B Corp-certified ACS are experienced in circular fashion. They have been active since 1997 and are now using their extensive experience and agility to perform denim repairs with us. For Nudie Jeans, this is a regional setup in the UK, and last year the extent of the collaboration reached new heights. The new circularity partner has since early 2023 taken on approximately all of the free customer repairs from our three London stores, which has kept the lead times for repairs shorter and more predictable. We know the textile industry needs diverse and scalable circularity, and we believe that ACS is a perfect fit.



73,368
repaired Nudie jeans
in 2023.



Trying out express repairs

In 2023 we started a new pilot by offering speeding tickets to our store visitors. But only if you are in a hurry! Haste is nothing we promote in itself, but fact is that life is constantly happening. Thanks to the establishment of our centralised repair partnership with ACS in the UK, the possibility of trying out new things within our London store in Soho opened up. Providing express repairs means job done within 24 hours. It is the first time we charge for repairs and we are curious to understand more about this add on. But no matter the outcome, the free repairs will of course keep on rolling as usual.



Re-use

According to the waste hierarchy, prolonging the life of a garment is more resource efficient than recycling it. Beyond repairing, garments can be used for longer through exchanges with others,

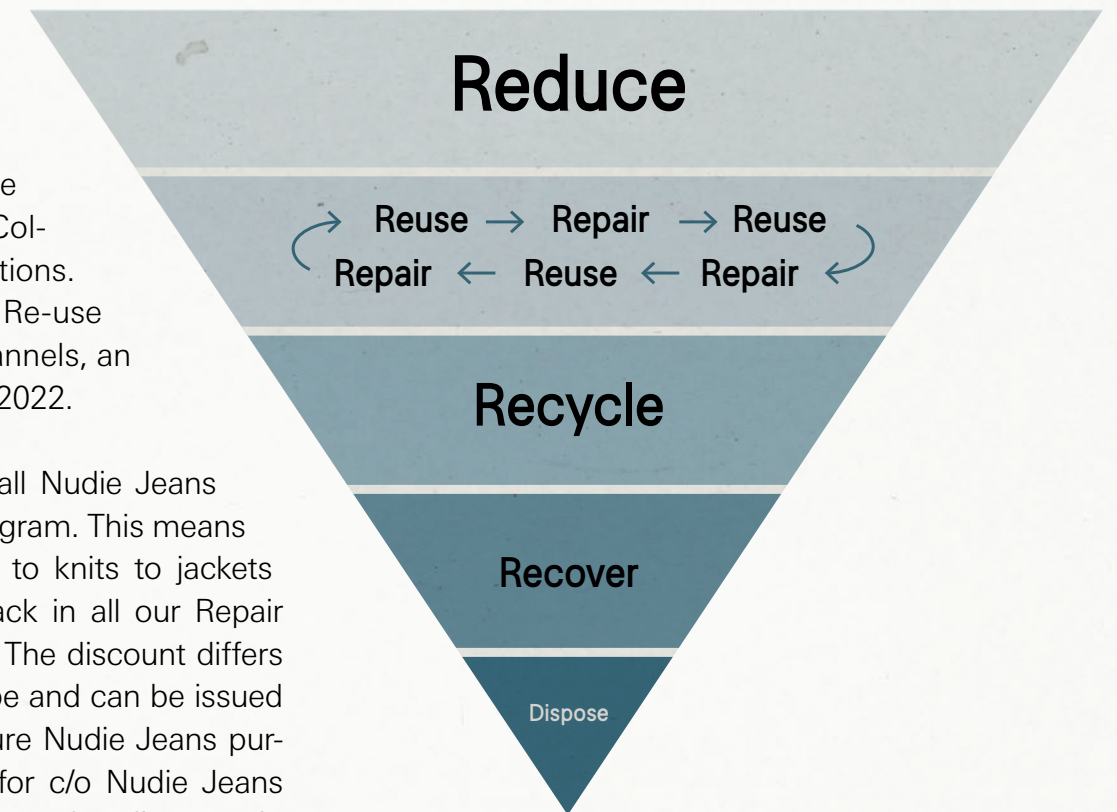


by gifting, donating to thrift shops, redesigning, reselling, or, if they are Nudie jeans, by turning them into the Re-use Program at one of our Repair Shops. Nudie Jeans offers 20% off the next pair when customers hand in an old pair of Nudie jeans. This gives customers an incentive for engaging with our free repair service, but also with the circular activity of returning jeans they no longer want or need. For us, it has become a perfect channel through which we obtain post-consumer jeans to resell as Re-use products, or to use in other circularity projects, such as the production of caps, hats, rag rugs, blankets or in fiber recycling schemes. In 2023, we collected 19,665 pairs of post-consumer jeans spread out across our repair spots, which almost aligns to 2022 with a small decrease of 5%.

We wash the Re-use jeans, make any necessary repairs, and put them on the Re-use rack in our Repair Shops, ready to become a new customer's favorite pair. Until the end of 2022 our Re-use jeans were Bra Miljöval labeled, which is the Swedish "Good Environmental Choice" eco-label issued by the Swedish Society for Nature Conservation (Naturskyddsföreningen). Since 2023, the label no longer applies to textiles, which is why we removed the falcon-shaped symbol from all our Re-use jeans last year. Since 2018, we also offer Re-use jeans online, in which we release premium pre-loved denim in limited occasional drops on our online shop. This initiative took a new form in 2023, where we collaborated with

the Swedish magazine Faktum, and made one special drop of 12 customised Re-use pieces for auction sales. More about the collaboration in the chapter Collaborations and Communications. In total we sold 4,176 pairs of Re-use jeans throughout all sales channels, an increase of 5% compared to 2022.

Since 2022, we also accept all Nudie Jeans products in our Take-back program. This means that everything from T-shirts to knits to jackets and dresses are welcome back in all our Repair Shops for a Re-use discount. The discount differs depending on the product type and can be issued as a digital voucher for a future Nudie Jeans purchase. This is only possible for c/o Nudie Jeans members, but anyone can use the discount in store. To support completely circular consumption, we have also made the Re-use discount applicable to Re-use products.



Re-use discount – how it works

1. 20% discount when handing in a denim item. Discount code only applies to denim products.
2. 10% discount when handing in a non-denim item. Discount code only applies to non-denim products.
3. Re-use discount only applies to full-price items.
4. We accept all product categories, no matter the condition – the only exception is underwear and accessories.
5. If the customer wants to hand in more than one item, they can only use one discount per new item (if you have two pairs of jeans, you won't get 40% off the next pair; you will get 20% off two separate denim items).
6. Re-use discount is also valid for Re-use jeans.



Recycle

Once we have used and reused denim, we explore recycling as the final step in closing the loop. Cotton fibers last much longer than we tend to use them, and recycling reduces waste and the consumption of virgin raw materials. A pair of jeans can be recycled in various ways, but both mechanical and chemical recycling processes pose challenges. We are constantly looking for new ways to extend the life of cotton fibers. When it comes to recycling our own products, we try to avoid mixing our organic cotton with products that contain conventional cotton. This way, it can be used again



as recycled organic cotton, which we consider the most preferred alternative.

When exploring ways to recycle our products, we know the input of recycled cotton is organic, alongside new organic cotton. To scale up our circular ideas to more than just one or a few projects, we need a steady inflow of our own denim to use as post-consumer raw material. This means that for us, every pair of Nudie jeans is a valuable material resource, and the more pre-loved Nudie Jeans denim we collect in our Repair Shops, the less virgin raw materials we need to use. This enables the optimization of post-consumer fibers according to the waste hierarchy and prolonging the life of the cotton fibers is a central priority in our circular commitment. We do this by selling Reuse jeans, turning worn-out denim into repair patches, using the material for the production of denim accessories and similar, or recycling the fibers for new denim fabrics.

In 2023, we made one production round of denim fabric containing post-consumer Nudie jeans recycled input. The process was performed by our Turkish fabric supplier Orta and resulted in 3,000 meters of our Utility Denim, made with 20% mechanically recycled post-consumer cotton and 80% virgin organic cotton. In the process, around 1,260 kg of post-consumer denim divided into approximately 2,100 pairs of Nudie jeans was used, for an output of 3,000 meters.



Full denim circularity in Australia

We are proud to have achieved full denim circularity in the Australian market in 2023. Working with Waverley Mills in Tasmania, we transformed unusable jeans and mulesing free, locally sourced virgin wool into cozy blankets.

Utilizing the left-over denim from the blankets, we managed to collaborate with Kandui Industries to transform the left-over denim and construction waste into beautiful tiles used in our most recent shop.

Another collaboration was formed with River Rugs from Perth who are also using any unusable jeans that didn't have the ability to be resold into hand-made rugs used in our changerooms but also available for customers to purchase.

These projects allow us to continue the circular journey and create useful and amazing products in the process fulfilling our company strategy to "Create Tomorrow's Vintage".

The number of post-consumer jeans used in the project:

- Rag rugs:** 1900 pairs
- Ture Blanket:** 1400 pairs
- Tile:** 200 pairs

Rental

We have been aware of the benefits with rentals for many years, but we questioned the impact factors and if our garments would be the right fit for this arrangement. Although clothing rentals can be an effective way to reduce production volumes and improve the circularity of a business, the concept entails complications, such as additional CO2 emissions from transport and laundry processes, as well as the cultural aspect of constantly cultivating hunger for a new wardrobe. Renting has been around for ages, but we are curious about its place in apparel value chains. We have an explorative mindset toward innovative setups for increased circularity in our business model and have therefore chosen to dip our toes into the rental waters and evaluate over time. Up until 2023 we had two ongoing rental pilots in Germany, but due to financial difficulties for the rental partners they both had to close down.

Rentals are highly compatible for garment types such as outdoor and formal-occasion wear. But Nudie Jeans' approach to circular adaptation is embodied in our philosophy of breaking in denim, in long-lasting relationships with garments based on their inherent value. We are confident in the Nudie Jeans eco-cycle, with a refined Reuse program and its integrated take-back scheme, which covers the full range of Nudie Jeans garments. And think about it: a garment you buy, wear, tear, and repair over and over, until you must part ways with your sentimental piece, the process of returning it to us is not particularly different from a rental scheme.



External Partners

In our wholesale business across the globe, it is clear that sustainability is more relevant than ever before. More and more customers are willing to invest in garments from brands with more sustainable practices, and we expect this transition to gain popularity and importance in the coming years. In addition to this, in a turbulent world where all parties involved are more cautious, implementing a sustainable business model has been welcomed by our wholesale clients and added yet another layer to why they should invest even more in our joint partnership. The fact that we do not deliver products that are going to be phased out and put on sale to the same extent as many of our competitors has made our business case stronger. We do see results already but are confident it will continue to grow organically.

As part of the strategy, we have reviewed our total distribution and limited the amount of selling points to guard and straighten the control of our brand. We work with some of the best independent retailers across the globe. Some have been around for a long time, while others are new and shaping the next generation of retailers. In various ways, they are all part of building the Nudie Jeans brand and spreading the word about our products and business beyond the reach of our own Repair Shops. We are confident that working closer to our wholesale clients will create a sustainable long-lasting partnership.

Repair Partners

One of the biggest challenges of circularity is scalability. In 2017, we set a goal to open 50 new Repair Spots globally by 2030, and one of the steps toward reaching that goal is partnering with selected wholesale accounts and establishing Nudie Jeans Repair Stations in their local shops. This enables a wider reach for our repair services and allows us to spread our circular activities while creating opportunities to impact consumers' adoption of more circular behaviors. We also believe the concept sets a good example regarding the need for stakeholder collaborations aiming to achieve greater responsibility and increased circularity in the retail arena.

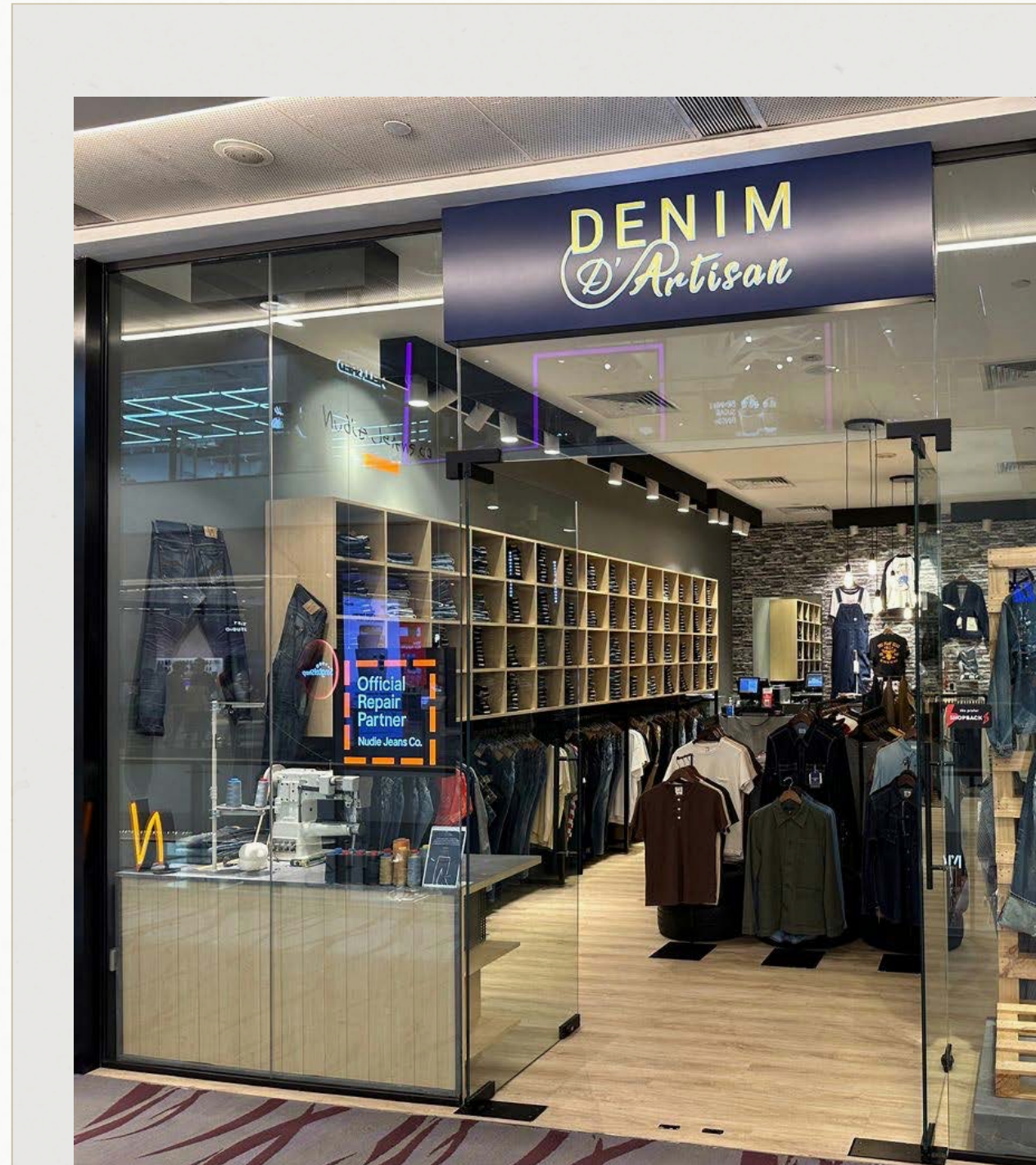
The Repair Partners are equipped with the same sewing machines and tools as our own Repair Shops; to remain consistent in the services provided.



All current Repair Partners

Pop & Shoes, Lyon, France | **We Dress Fair**, Paris, France | **The Adjective**, Central World Bangkok, Thailand | **The Adjective**, Mega Bangna, Bangkok, Thailand | **Denim D'Artisan**, Singapore, Singapore | **Standard Denim Supply Co.**, Plaza Senayan, Jakarta, Indonesia | **Glore, Stuttgart**, Germany | **Glore, Regensburg**, Germany | **Glore, Nürnberg***, Germany | **Glore, Ingolstadt***, Germany | **Rrrevolve**, Zurich, Switzerland | **ResRes**, Copenhagen, Denmark | **Inch**, Tampere, Finland | **De Rode Winkel**, Utrecht, Netherlands | **Ebb 18**, Groningen, Netherlands | **Vielgut**, Rotterdam, Netherlands | **Denim City**, Amsterdam, Netherlands | **Liqor Store**, Birmingham, UK | **Union Project**, Cheltenham, UK

*Collect Partner ships to Repair Partner Glore Regensburg



Denim D' Artisan

Repair Partner, Singapore

"When we opened our first store in April 2022, we immediately incorporated Nudie Jeans as one of our core brands as their philosophy very much aligned with what we believed in.

With a focus on sustainability and ethical production, Nudie Jeans gives us the confidence to sell each pair of jeans respectfully and responsibly, knowing that every garment from Nudie Jeans is timeless and has great longevity .

To further strengthen Nudie Jeans' vision in sustainability, we are proud to be one of their official Repair Partners. This gave us an opportunity to be a part of the value chain, extending the lifespan of each and individual worn-in pair of Nudie Jeans and resell unique pieces traded in from their Reuse program."

Daan Broekman

CEO
Denim D' Artisan

Unsold and faulty garments

To minimize the volume of unsold products and deadstock, we need a controlled and responsible product flow, which is key to mitigating overproduction and overconsumption. This requires tailored logistics and technical solutions, meticulous product planning and the most accurate forecasting possible. However, some variations always occur, regardless of the forecast. At the end of the season, unsold products from shops are sent back to the warehouse for each market. Our European shops ship to a warehouse in Borås, Sweden; and our Australian and New Zealand shops ship to a warehouse at our office in New South Wales, Australia. Our American shops used to ship to a warehouse in New Jersey, which we decided to stop using in late 2023.

We try to proactively and strategically send items back to our Swedish warehouse, from where they can be sold online primarily during sales periods. Whatever remains in the European shops have been sent directly to our outlet in Barkarby, Sweden. Product flows vary depending on the market. Products in the American and Australian warehouse are not resold online, but may be sold to local wholesale partners or stocked until a proper solution is found. In line with our strategy and circular activities, we do not send unsold products to landfill or incineration. Products sold at external retailers are beyond our control and we do not have the traceability of the afterlife of those garments.

Management of faulty items is similar to how we handle unsold products. Faulty items in our shops are either repaired and resold in the Reuse program, used in our repair service, or sent back to our warehouse for future upcycling or recycling projects.

For our wholesale partners, management and responsibility of faulty items depends on the agreement between the retailer and Nudie Jeans and can be a factor for negotiation that affects the order price to a limited extent. In Sweden, everything is shipped back to our main warehouse to be stocked and used in future reuse or recycle projects. If there are bigger claims or batches of faulty items, we ask the retailer to ship the entire batch back to the warehouse or to our office for investigation.

Production seconds and leftover fabrics

In production, we sometimes end up with products that do not meet our quality requirements due to minor defects, and these garments are called seconds. Tops such as jackets, shirts, sweaters and knitwear with minor defects are often mended or adjusted in the factories, which makes the number of seconds in these product categories close to zero. Since denim laundering processes entail a higher likeliness of style differences, seconds among jeans are more frequent than among tops. Regardless of product category

and whether the garment makes it to a shop, we still value it as an important material resource. For example, seconds can be used in recycling projects as an alternative way to optimize our use of material resources.

Although we strive for purchasing fabric volumes that matches our production volumes we sometimes end up with leftover fabrics at our production suppliers in between collections. Since we primarily work with denim, we end up with leftover denim more often than other fabrics. Regardless of the fabric leftovers we have in stock, we try to make sure they are used. Often, the first solution is to use the fabric in our future collections or to produce giveaways. Alternatively, we sometimes use the digital platform Rekotex, where textile companies can sell leftover fabrics to smaller companies or other stakeholders.

Product samples produced when creating new collections are sent to our outlet shops or are occasionally sold at sample sale events in our head office. Unsold garments are stocked for future projects.

Bags and packaging

We care a great deal about taking responsibility for the manufacturing of our garments. We therefore find it equally important to care for how we package and distribute our products to customers. There are no plastic shopping bags in our physical shops and all bags and gift boxes used in our Repair Shops are made from FSC-certified and recycled paper. Products ordered from our online shop are delivered in plastic bags made from RE-LDPE and RE-HDPE, which are recycled plastics containing around 40–80% recycled plastics and 60–20% virgin plastic. Since 2020 we have made sure that the polybags from the production chain are made from 80% recycled LDPE and 20% virgin LDPE.

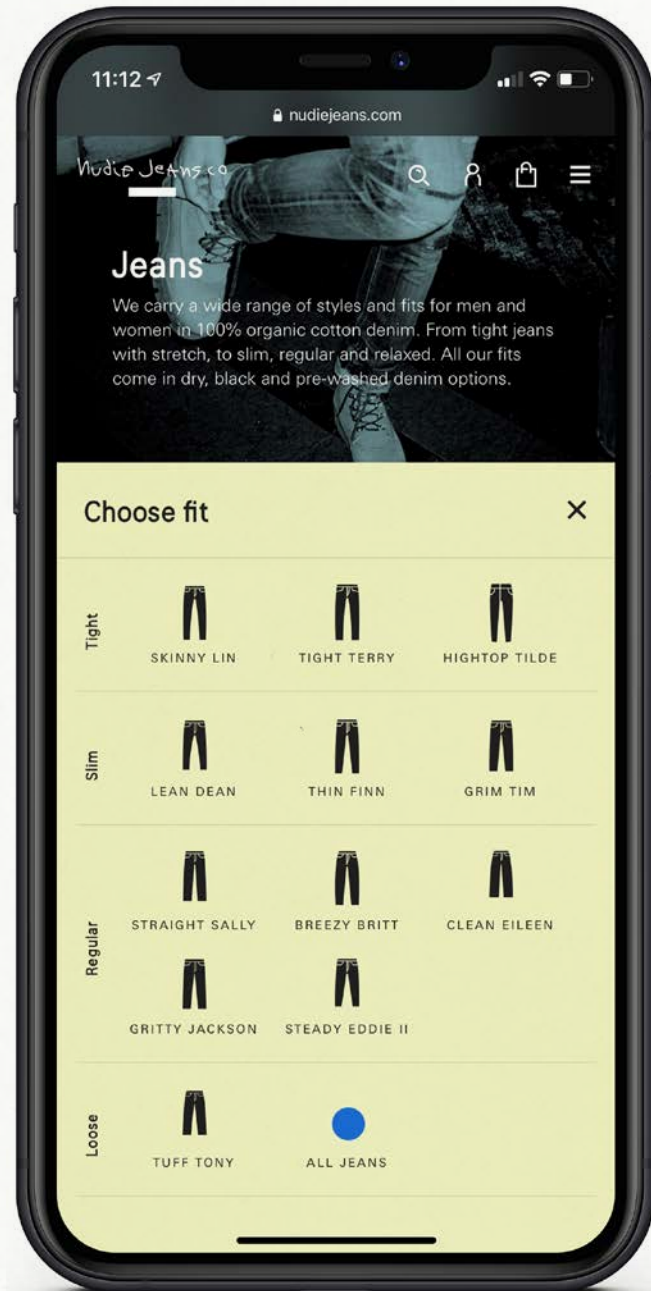
We have examined many different options, including biodegradable plastics, but after thorough research, we decided that recycled and recyclable plastic is currently the best option, due to a vast

lack of recycling possibilities for biodegradable plastics from domestic waste streams. Using recycled plastic also increases demand, which is still low globally, and as part of the circular flow of resources, this is important to us.

Since 2017, we have bought all paper bags, boxes and plastic bags for our Repair Shops and online shop from our packaging supplier Avisera through their climate offsetting program ÅterBära (ReTurn), in which Avisera plants trees to offset CO2 emissions from the packaging materials.



Customer experience and e-commerce returns



Our online shop is an important channel for interacting with our customers and we aim to make the shopping experience as convenient as possible. We work proactively to enhance the customer experience and lifetime value of our products by asking customers for feedback, being available via live chat, offering scheduled phone calls with our Customer Care Agents, providing a fit and size guide, close-up images of our products, detailed product descriptions and highly transparent production. Since 2022, we continued to provide increased production transparency directly on the product page in our online shop, giving our online visitors easy access to information about all suppliers involved in the production of the specific product, from the raw material stage all the way to fabric production, garment manufacturing, trims, transportation methods, and finally, the warehouse before the garment is dispatched for online purchase.

Seven days after delivery, we send a survey asking customers to give feedback on their experience and the product. The goal is for all product feedback to be internally addressed with our garment technicians and product developers for future reference. Nurturing this communication channel and its essential content of information is crucial for an improved customer experience, and to indirectly

establish mutual and long-term-profitable relationships with our customers.

The return rate in the industry is increasing overall, and we acknowledge new consumer behaviors: customers often shop to return. This is a consequence of the choice e-commerce companies make to offer free shipping and longer return windows. We offer free shipping for purchases over a certain amount, roughly €100, in our online shop. Jeans are not the easiest garments to buy online and as we establish new customer relationships, the return rate increases, as it is common for new customers to explore our assortment. When handling returns and analyzing the return rate, we take a proactive approach and ask ourselves why the product was returned in the first place.

The growth of e-commerce sellers, discount offers and risk-free discoveries of sizes and style shopping journeys are increasing the return rate in the clothing industry. Traditionally, e-commerce business owners see returns as a big issue and implement actions that make it harder to return without affecting conversion rates and sale performance. Nudie Jeans has a significant economic interest in keeping our return rates low. However, we want to take responsibility for products that fail to meet our customers' needs by offering

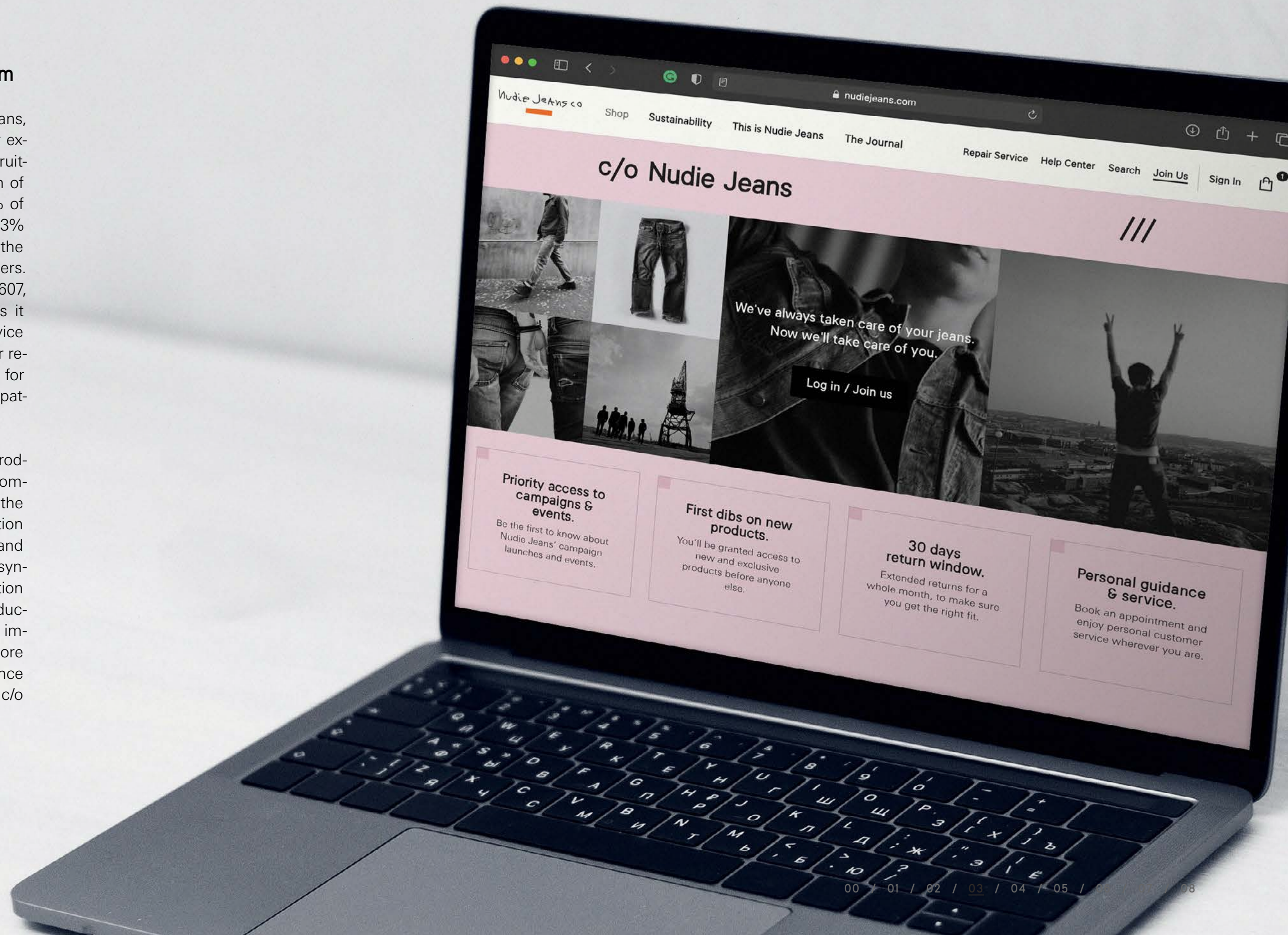
the smoothest return process possible. Still, being customer-friendly does not mean we must offer free returns. We can achieve customer satisfaction and profitability by creatively and efficiently handling returns. Returns are a natural part of the experience between customers and brands and managing them well is crucial to maintaining healthy and long-lasting customer relationships.

In 2023, we continued the extension of our omni-channel network globally. Our local Repair Shops serve as small warehouses where they pack, ship and handle e-commerce orders and returns. This enhances the entire e-commerce experience and return-management process by decreasing the shipping time, CO2e emissions, pick & pack costs and return rates. The customer is more likely to switch to a different size or product when making an in-store order. Since 2021, we have had a fit guide with the option of dragging and comparing all our bottoms, and since spring 2022, we have a similar measurement tool for tops with product reviews visible directly on the product page.

c/o Nudie Jeans — our loyalty program

2023 was the fourth full year of c/o Nudie Jeans, our loyalty program for a seamless customer experience. Over the course of the year, we recruited 82,001 c/o members, which is a reduction of 19% in new recruits compared to 2022. 37% of new members joined via our website and 63% through interactions with our Repair Shops. At the beginning of the year, we had 293,606 members. At the end of the year, the new total was 375,607, for an increase of 28%. The program makes it easier to provide the most personalized service and strengthens the longevity of our customer relationships, which we consider cornerstones for slower and more responsible consumption patterns.

In addition to knowing our supply chain and products, it is equally important to know our customers and provide a service that is suitable for the individual and the occasion. A close connection and clear communication between brand and customer has the potential to generate more synchronized and circular consumer and production patterns. In turn, this could mitigate overproduction, waste, and the associated environmental impact, while optimizing profitability through more accurate sales forecasts and reduced costs. Since 2019, it has been a default setting to join the c/o program when using the Repair service.



Net Promoter Score

The NPS score is calculated by subtracting the number of Detractors from Promoters (Passives are always excluded). We measure NPS score by sending an email after a customer placed an order at nudiejeans.com.

Detractors: score from 0 to 6

Passives: score from 7 to 8

Promoters: score from 9 to 10

The NPS score ranges from -100 to +100, where a 'good' score is above 0. An 'excellent' score is above +50 and a company is considered 'world-class' with a score of +70 or over.

The response rate for 2023 was 16.9% and the number of surveys sent out was 65,693, an increase of 11,791 compared to 2022. This can be explained by an increase in unique customers online. The split between Promoters, Passives, and Detractors remained similar to previous years. Of the 11,053 responses 84% were Promoters (82% in 2022), 10% Passives (11% in 2022) and 6% Detractors (7% in 2022). Looking at the NPS and the different themes rated by our customers, the highest-scoring categories were "Style" and "Quality". "CSR" is in sixth place, but when looking into only comments that mention anything connected to CSR the overall score is 85.3 which is considered very high.

Among detractors, the top themes were "Returns" and "Delivery". We aim to improve the



Nudie Jeans customer experience and scores in all categories, but thanks to the NPS surveys, we also feel confident that our sustainability investments create additional value for our customers, who want to support sustainable development in the textile industry.

During 2023 we also measured our repair service by implementing NPS in our Repair Shops in Europe and US. Our NPS score for our repair service in 2023 was +88.6. We are thrilled to see a

consistently high NPS score for our in-store repair service, reaching an impressive nearly 90, which is truly world-class.

Our focus for 2024 will be continuing to improve and develop our service and tools to further enhance the overall experience for the online and in-store Nudie Jeans customer.

19. → [What is a Good Net Promoter Score?](#)



Our Net Promoter Score 2023 was +77.8, with comments like:

"Stylish products, beautifully made, positive actions for sustainable clothing.",

"The fit of the jeans is excellent as is the build quality and I greatly appreciate the transparency of the company regarding the production process.",

"Great sizing options, sustainable, excellent quality, repairs available. Overall a superb product",

"Nudie is the best clothing company I've ever bought from, and are setting the standard that the industry should follow in terms of sustainability. I will never buy jeans from anywhere else again!",

"Your ethics, quality, style, fit and the I can get my jeans repaired for life, everything is bang on! Highly recommend you guys!!"

The NPS Benchmark score system:¹⁹

+70 to +100 = Excellent

+30 to +70 = Great

0 to +30 = Good

-100 to 0 = In need of improvement

Communication and Collaboration



Making sure everyone understands sustainability-related topics is a significant challenge. Our communication method, in which we discuss what we are doing instead of what we plan to do, minimizes the risk of greenwashing. We value transparency and by partnering with relevant organizations, we address complex issues and strengthen the credibility of the brand. In this chapter, we cover how we mitigate, minimize and address these risks.

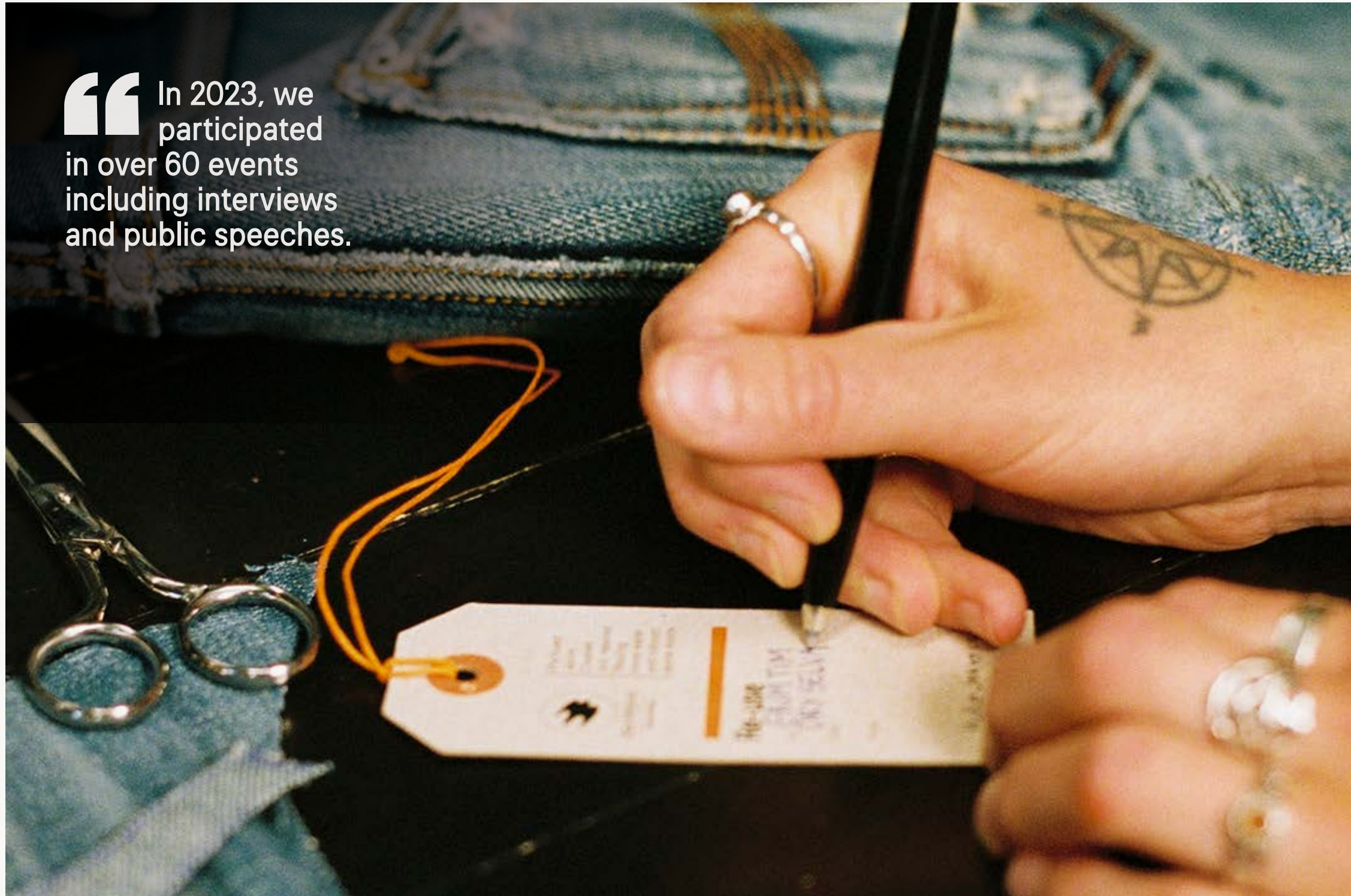
To contribute to further development in the industry and to spread our sustainability values, we frequently participate in different types of interviews, research and case studies. Collaboration is essential for smaller businesses, which is why we are open to collaborations with other brands and part of various industry initiatives and working groups.



The SDGs in each chapter are illustrated by the importance of the goal, where the main SDG is displayed in a larger size and the associated SDGs are smaller, based on the significance for Nudie Jeans' impact.

How we work to avoid greenwashing

Within the textile industry, greenwashing is a threat to real sustainability ambitions. We believe in sharing achievements rather than ambitions. The key is to be transparent about what we do and what we aim to do, but also what we do not do. The biggest challenge lies in balancing the complexity of sustainability topics with easy communication.



“ In 2023, we participated in over 60 events including interviews and public speeches.

Sharing is caring

In 2023, we kept our communication activity high on sustainability, especially through journal posts describing our various sustainability activities. As Nudie Jeans has 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 in the search for efficient solutions and for leading the industry toward continuous improvements. In 2023, we participated in more than 60 events, including interviews and public speeches, to share our knowledge with different networks, PhD and undergraduate students, researchers and journalists. These interactions included more than 30 public speeches held globally, including presentations and panel talks and various online events with different target groups and purposes.

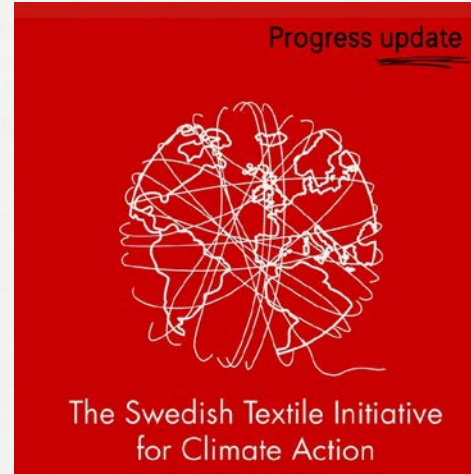
Social media and community

We love to share our stories, knowledge and experiences with Nudie Jeans' followers, users and the industry. But we also love it when our users share their denim experiences with us. We want our users to post pictures of their jeans on social media and tell stories about their journey of breaking in their jeans. This is a way for us to share our passion for a well-worn-in pair of jeans with our followers. Not only do we appreciate the opportunity to see how our jeans evolve over time, but this also provides us with inspiration for future washes or limited editions. With this approach, we can bring our users' lives in their jeans back into the design process. At Nudie Jeans, most of our communication aims to include aspects of sustainability. Social media is our major tool for showing what we do and for communicating with long-time as well as new acquaintances. Our social media channels and journal had numerous posts on sustainability-related topics in 2023, for instance, on our climate action, ACS - our circularity partner, the fibers we use, as well as highlighting the Fashion Revolution week, and last but not least Create tomorrow's vintage.



The shift: reduced emissions and competitive edge for Armstrong Knitting Mills

Discussions surrounding the climate have been hot topics for a while. But since the overall temperatures are going in the same direction, all players in the textile industry...



Our climate targets – progress update

Swedish Textile Initiative for Climate Action has just released the most recent Progress Report with data for 2021. The report shares insights into how a majority of Swedish...



Thinking outside the shop: Reinforcing the repairs with ACS

It was never rocket science, but just because a brilliant idea pops up, clinging to the spark is never a guarantee. Until it becomes a promise...



Corporate Fiber and Material Benchmark

Climate action starts at the source of the materials we choose. As the largest peer-to-peer comparison initiative in the fashion and textile industry...



Fashion Revolution Week – 2023

2023 marks the 10th anniversary of Fashion Revolution, a global activism movement born after the tragic collapse of the Rana Plaza garment factory. In the past decade, Fash Rev has mobilized advocates and generated worldwide...



Clothes aren't killing the planet. Mass Consumption is.

That is our constant need to change our style, a need created by the fashion industry. People call themselves fashion victims, but the only true victim to fashion is the planet. Now, they say the fashion industry is changing for the better, but is it really? Sure it's great to see more sustainable collections, but what good does it do if people throw their sustainable clothes away when a newsustainable collection arrives?



Partnerships

To create a more sustainable industry, built on transparency, social and environmental justice, social dialogue and equal partnerships, industry collaborations are essential. The organizations we have chosen to partner with all have their specific purposes that align with Nudie Jeans' sustainability work. The most crucial networks for our daily operations are our memberships in STICA, RISE, Fair Wear Foundation and Textile Exchange.

Swedish Textile Initiative for Climate Action



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

Fair Wear Foundation



We have been members of Fair Wear Foundation (FWF) since 2009. Within the membership we build stable relationships with supplier that gives us a strong basis for effectively monitoring working conditions. We have been an active member of the living wage Incubator, where selected FWF brands work with challenges related to implementing a living wage. The latest Brand Performance Check is available on Nudie Jeans' website, as well as on the FWF website. In 2023, Nudie Jeans was in the Good category.

→ fairwear.org

RISE



Since 2015, we have been a member of Kemikaliegruppen (The Chemical Group) at the Research Institutes of Sweden (RISE). It is a platform for chemical knowledge in the textile production chain, for staying updated on chemical legislation and regulations, for communicating chemical requirements to our suppliers and for responding to questions from the media and consumers on this issue. We meet four times annually and share experiences and knowledge with other brands, NGOs, experts in the field and authorities.

→ ri.se

Textile Exchange



We have been members of Textile Exchange since 2009. Textile Exchange is a global non-profit organization that works to make the textile industry more sustainable. Textile Exchange inspires and equips people to accelerate sustainable practices in the textile value chain. The organization focuses on minimizing the harmful impact of the global textile industry and maximizing its positive effects.

→ textileexchange.org

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

Sağ Salim

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



→ [Read more.](#)

Fairtrade

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



→ fairtrade.se/

Support your local heroes

Last year, we teamed up with our local friends of the Faktum magazine. That means the people behind the street newspaper in Gothenburg, Borås, Malmö, Lund, Helsingborg, Kristianstad, Växjö, Halmstad, Karlstad and Jönköping. Their goal is to offer everyone in social exclusion in these cities a job.

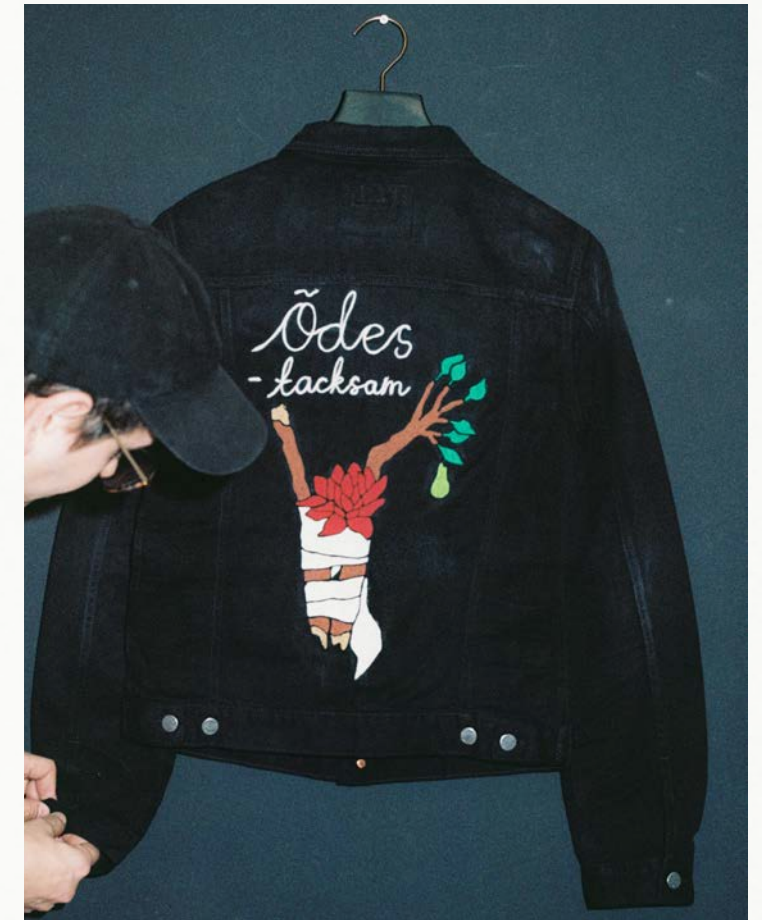
Faktum works for a society without homeless-

ness, poverty and exclusion. They do this by offering people help for self-help. Selling street newspapers means that the seller can make a living by employment and a social context. Faktum's journalism is of high quality and covers issues that affect the salespeople's everyday lives. The sellers buy the newspaper for 50 SEK, sell it for 100 SEK and keep the difference. Selling Faktum is a job, not charity.

Besides the magazines, Faktum releases an annual calendar, and this time they collaborated with The Bond; an independent communication agency in Gothenburg, who created fantastic imagery for the calendar based on the life stories of 12 selected newspaper sellers.

Our collaboration in 2023 revolved around the calendar and its portraits. Each one was beau-

tifully interpreted by our own Repair and Re-use artist Michael Gorgnäs, and the motifs from the imagery got embroidered onto carefully selected pieces of Nudie Jeans Re-use denim. The unique items were put on display in our local Repair Shop at Södra Larmgatan in Gothenburg, and then went online for auction sales. All 12 denim pieces were sold out, and naturally, 100% of the proceeds went in full to Faktum.



Industry Benchmarking

In 2023, we participated in different industry surveys and benchmarking activities to ensure that we keep up with industry developments and expectations. Nudie Jeans also thrives on challenging ourselves and improving in the areas for which we do not yet have structured or formalized initiatives.

Fair Wear Foundation

We did **Good** in the 2023 Brand Performance Check. The Good category represents brands who are making a serious effort to implement the Code of Labor Practice (CoLP).

→ [FWF Brand Performance check report](#)

The Textile Exchange Material Index

Textile Exchange’s Material Change Index (MCI) is the largest comparative peer-to-peer initiative in the textile industry. It tracks the apparel, footwear, and home textile sector’s progress toward more sustainable materials sourcing, aligned with global efforts like sustainable development goals and the transition to a circular economy. The Textile Exchange Corporate Fiber and Material Benchmark scored us as Scaling in 2023.

→ [The Textile Exchange Corporate Material Benchmark](#)

STICA Progress Report

The Swedish Textile Initiative for Climate Action (STICA) releases an annual Progress Report listing the progress of all members toward their climate targets. Nudie Jeans is included, as are most Swedish textile brands. Nudie Jeans’ emissions declined by **68%** in scope 1 & 2 for the full year of 2022 compared to the base year of 2018, and by **19%** in scope 3 for the full year of 2022 compared to the base year of 2018.

→ [STICA Progress Report 2022](#)

The Higg Brand and Retail Module

The Higg Brand and Retail Module assesses how sustainability is integrated in our business. The method identifies sustainability risks and impacts, following the life cycle stages of a product. The numbers seen below are from the verified results of the reporting in 2022. In 2023, only the self-assessment reporting was made, without a third-party verification, and can therefore not be communicated.

Total Environmental score **71.4%**
Total Social Score **70.2%**

Management System
Environmental **100%** | Social **95%**

Brand
Environmental **73.4%** | Social **75.7%**

Stores
Environmental **60%** | Social **76.9%**

Operations and Logistics
Environmental **52.4%** | Social **33.3%**

→ [Higgs Brand and retail Module](#)

Research and innovation

To stay up to date with new research and innovation within the industry we engage with several different stakeholders within the field. Below is a selection.

School of Business Economics and Law, Gothenburg University and Centre for Retail Research, Lund University

Since 2012, we have had a long-term research collaboration with the School of Business Economics at the University of Gothenburg, including ongoing dialogues, round table discussion groups and several guest lectures on sustainability strategy and transparency. In 2023, we also collaborated with the Centre for Retail Research at Lund University on their book *The Future of Consumption* about how technology, sustainability and wellbeing will transform retail and customer experience. We were offered the opportunity to contribute with a reflective chapter and speak our mind about our ideas for the future of retail and how we engage to shape it according to our strategy, *Create Tomorrow's Vintage*.

→ [The Future of Consumption](#)

Certified to LAST

In 2021 we started the collaboration with Research Institute Sweden (RISE) and their research project Certified to LAST, which stands for Long life design, Accessible spare parts, Sustainable production and materials and Transparency. RISE develop this concept and future certification in collaboration with the international Environmental institute at Lund's University and together with six Swedish global brands representing different product categories. With the Certified to LAST certification, consumers will be able to see if a product has a long service life, and whether the manufacturer has taken responsibility for it in various ways.

Bachelor and Master thesis

For many years, we have engaged in research carried out at different universities. In 2023, we had 25+ interviews with students using Nudie Jeans as a case for their bachelor or master's thesis covering areas such as motivation for sustainability engagements at brands, sustainable business models and sustainability communication.

Steering group, 2030 Textile & Fashion

The Swedish government has given the University of Borås the task to establish and lead Textile & Fashion 2030 — The National Platform for Sustainable Fashion and Textiles. The assignment is led by Smart Textiles, part of Science Park Borås at the University of Borås, in collaboration with the Swedish School of Textiles, the Swedish Fashion Council, the RISE — Research Institutes of Sweden, the Swedish Trade Federation, and TEKO — the Swedish trade and employers' association for companies working in the textile and fashion industry.

Since 2021, we have been part of the steering group, which gathers stakeholders from the private sector, public administration, academia, and NGOs in primarily Västra Götaland with the purpose of supporting Textile & Fashion 2030 and their activities.

→ textileandfashion2030.se

Sustainable Textile System: A pre-study for innovative system demonstrators

In fall 2022, we became partners of the Vinnova-funded research project Hållbart Textilsystem: En förstudie för innovativa systemdemonstratorer (Sustainable Textile System: A pre-study for innovative system demonstrators). The project is led by Science Park Borås at the Textile University of Borås, and the Stockholm-based UX design agency Antrop. In this project, we contribute and also gain experience and new lessons for outlining the needs for a sustainable textile system. The aim is to jointly gap-analyze textile value chains in detail with various players from the Swedish textile industry, set a scope, and formulate the mission as a fundamental step in fueling the industry's adaptation to these principals.

Mistra BIOPATH

In 2022, as an industry partner within the agriculture group, Nudie Jeans joined the research program Mistra BIOPATH. Mistra is a Swedish foundation for strategic environmental research, and the BIOPATH program focuses on integrating consideration for biodiversity in decision-making processes. Through dialog, this partner network, which consists of an international research team and key players from a wide range of industries, will work toward a better understanding of our different businesses' impact on biodiversity, contributing to a real impact and transformative change.

Nudie Jeans as a workplace

At Nudie Jeans, we consider our employees to be our most important resource followed by our products. They provide the vigor and strength needed for Nudie Jeans' future. The organization at the Nudie Jeans head office in Gothenburg covers all aspects of the business, including design, product development, sustainability, commerce, e-commerce operations & customer experience, supply chain, IT, brand and marketing, HR, and finance.

Since December 2021, Winningtemp has been our employee engagement tool throughout the entire Nudie Jeans Group. With Winningtemp, all employees anonymously answer four questions each week. The questions are all based on research in collaboration with the University of Gothenburg. The questions reference different categories: Leadership, job satisfaction, meaningfulness, autonomy, work environment, participation, personal development, team spirit and engagement.

The HR department provides support and service for the entire Nudie Jeans Group. The focus is on providing managers with tools and information to build confident leadership. We provide managers with updated information and training in labor law and work environment, for them to stay informed on new developments within the fields. One of our HR Partners is responsible for maintaining the training program. The HR department works closely with labour law specialists, lawyers, and other relevant experts in different countries where we operate to stay updated with developments in the area. To support the work of our Nudie Jeans managers, we have created the Management Board, a platform with guidelines and routines, such as:

1. Country-specific labor law
2. Recruitment Process
3. Onboarding Program
4. Employee Appraisal Template
5. Employee 1-1 meeting Template
6. Offboarding Process
7. Parental Leave Process
8. Sick Leave Process
9. Risk Assessment Template

We work to ensure that the Nudie Jeans culture and work environment are the same throughout the whole organization. All employees have access



The SDGs in each chapter are illustrated by the importance of the goal, where the main SDG is displayed in a larger size and the associated SDGs are smaller, based on the significance for Nudie Jeans' impact.

to the Nudie Jeans Work Environment Handbook, Internal Policies and Culture Document. We also provide each subsidiary with its own Employee Handbook, specific to each country and business area. Since 2019, Nudie Jeans Marketing has had a Work Environment Committee. The group has meetings every quarter to talk about topics related to the work environment. We strive to promote a healthy work-life balance. Nudie Jeans shops in Sweden and the Netherlands have a collective bargaining agreement, while Nudie Jeans Marketing, which includes operations at the head office as well as other Nudie Jeans shops, does not. A survey to map interest in a collective bargaining agreement among head office employees was conducted a few years ago and resulted in low-to-medium interest in the topic. Therefore, we decided to postpone the discussion until there is greater interest from employees at the head office.



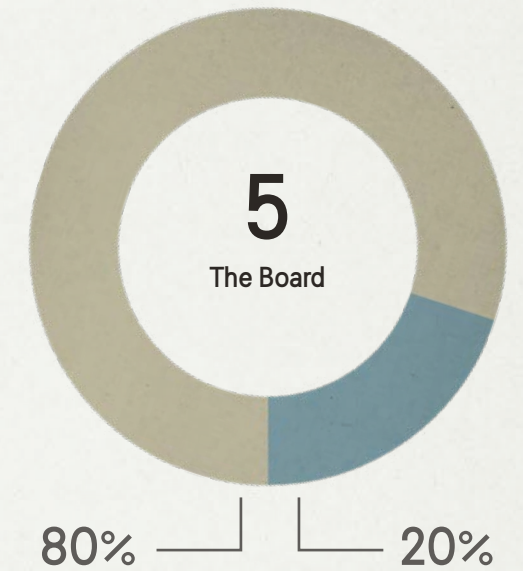
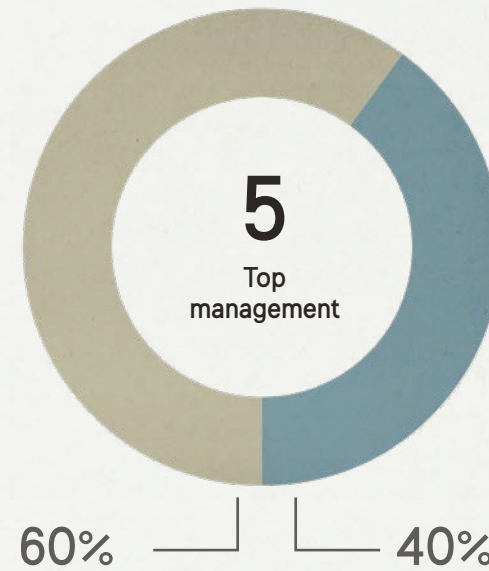
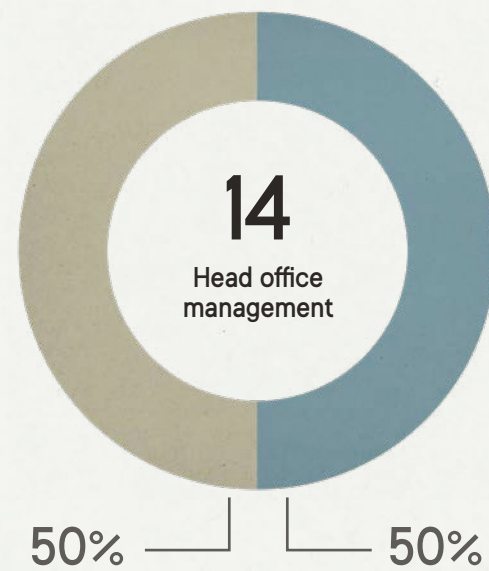
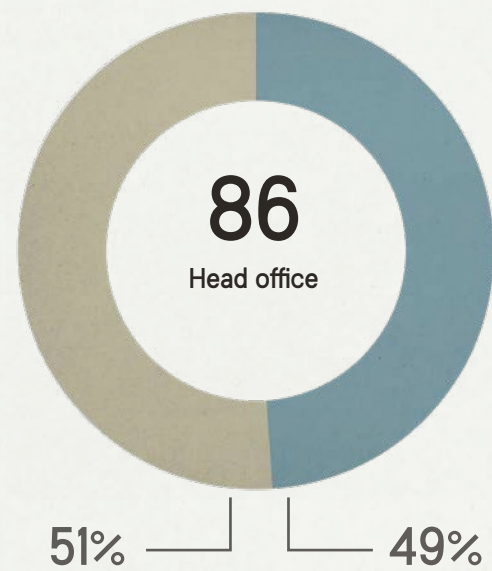
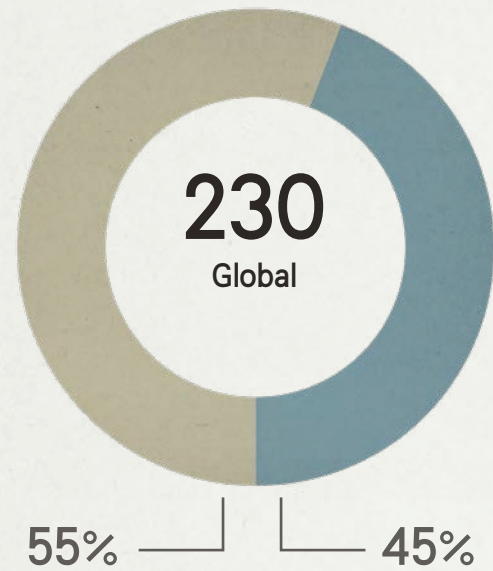
Want to work with us?

All job listings and internships at Nudie Jeans are available → careers.nudiejeans.com

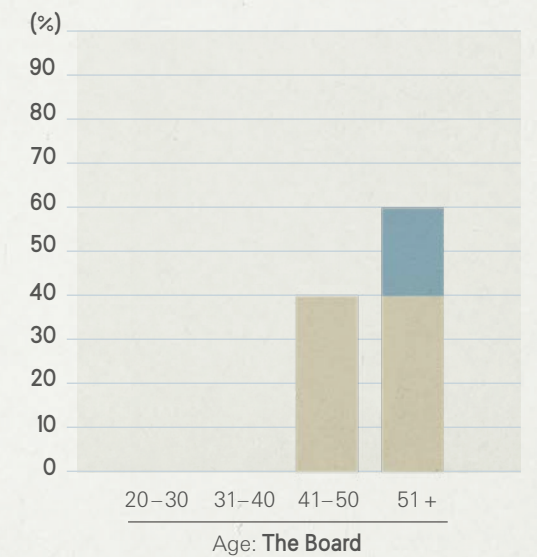
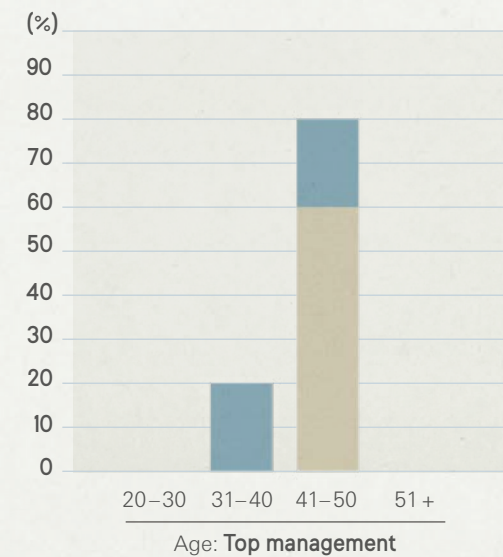
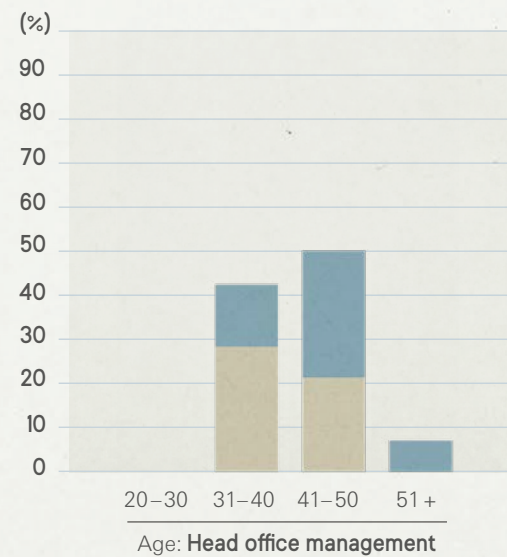
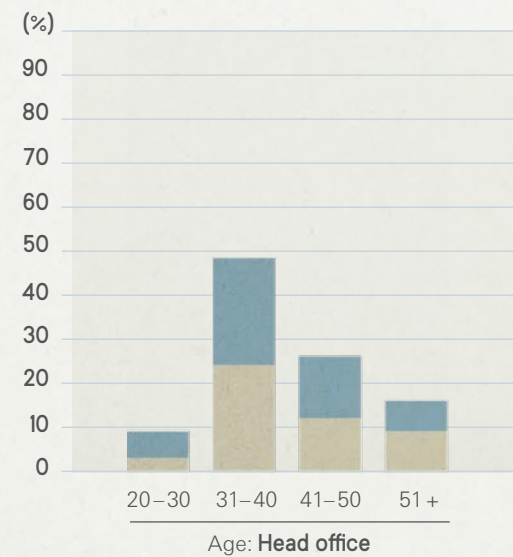
Nudie Jeans employees

The figures are based on numbers of persons 2023.

● Men ● Women



No available data





eNPS score

eNPS — Employee Net Promoter Score, describes the extent to which employees are ambassadors for your organization.

Every month we also measure the Employee Net Promoter Score. Employees get to anonymously answer the question "How likely are you to recommend working at Nudie Jeans to a friend or acquaintance?". For 2023, globally our eNPS was 30, which is a small decline from 2022 when we had a result of 39.

eNPS can range from -100 to 100. However, any score above zero is usually seen as a positive. Generally, a score within the bracket of 10 to 30 is considered good and a score of 50 is excellent.

Financial information

In 2023, the group experienced a 2% decrease in total net revenue compared to 2022. However, revenue from our own channels, e-commerce and retail stores, saw a 7% increase from the previous year, constituting 62% of the total net revenue. This growth was supported by the opening of a new store in New York, USA, signaling ongoing efforts to expand the company's direct sales channels.

On the other hand, revenue from external resellers declined by 13%, mainly due to a strategic decision to reduce sales through external e-commerce clients.

To enhance efficiency and profitability, the group's management continued their efforts in cost con-

trol and restructuring that was initiated in 2022. This included staff reductions to streamline operations. However, these restructuring activities incurred one-time costs that impacted the financial results for 2023.

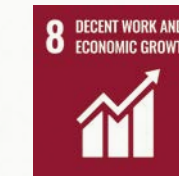
4,8 million sek came from circular business models, which stands for 1 % of Nudie Jeans' total revenue.

Nudie Jeans' revenue streams from circular business models are defined as follows:

1. Sales of Re-use jeans (second, third or fourth-hand and so on)
2. Sales of products made with recycled post-consumer Nudie Jeans fibers (fibers from post-consumer Nudie Jeans products,

traded back from our users through our Re-use program)

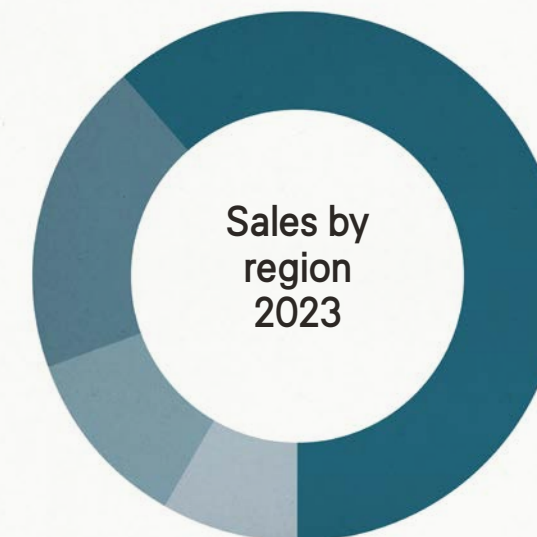
We have chosen to not include sales of products made with recycled fibers from external sources in the scope of revenue from circular business models, nor sales of products made with recycled fibers from our range of second choice and defected items in production. For us, it is important that a product fulfil its purpose of being sold



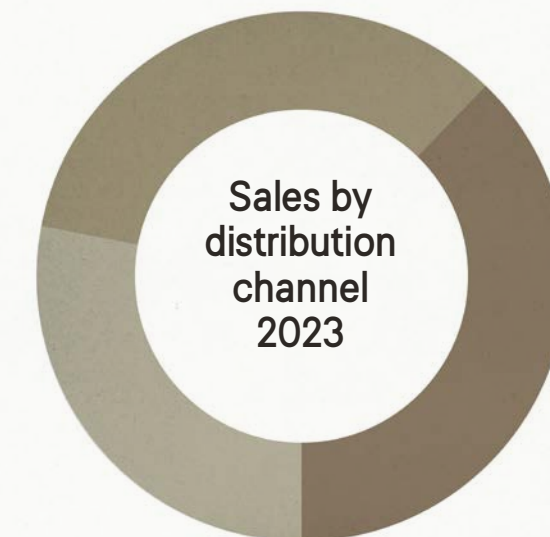
The SDGs in each chapter are illustrated by the importance of the goal, where the mainSDG is displayed in a larger size and the associated SDGs are smaller, based on the significance for Nudie Jeans' impact.

at least once, without being returned within the brand's return window, before we can account further steps in the life cycle of the product as part of a circular business model.

Key figures, Nudie Jeans AB Group, (MSEK)	2023	2022	2021	2020	2019	2018	2017
Net revenues	482.2	493.1	478.1	382.1	489.4	448.4	450.9
Earnings Before Interest and Taxes (EBIT)	8.3	19.1	33.3	8.3	44.6	21.1	46.1
EBIT percentage of revenues	1.7%	3.9%	7%	2.2%	9.1%	4.7%	10.2%
Total assets	254.6	258.2	265.2	245.5	248.5	238.1	245.3
Equity ratio	65.9%	64.7	67.5%	62.9%	61.4%	50.4%	57.7%



- Europe 61%
- Australia / NZ 18%
- North America 13%
- Asia 8%



- Wholesale 38%
- Retail 34%
- Ecommerce 28%

Next steps forward

We are proud how far we have come, and we are where we are today because we have never hesitated to try new ideas. We embrace creative thinking not only from management, but from everyone who works with us. Some of our decisions

have changed over time, while others – decisions that seemed crazy at first glance – have proven to be the best ones we ever made. We are not afraid to try. We believe this is the best way to grow. In 2023, following the renewed strategy, we contin-

ued the process of identifying prioritized areas in which to work and defining new goals that aligns with the strategy. Therefore, the list of goals presented below is less extensive. Looking forward, we have goals to set and challenges to handle.

We do so with enthusiasm and excitement, because we can never know for certain what the future will bring – but we know that we can make something good of it.

Challenges	Goals ²¹	Time frame	Status 2023	Comments	
Climate²⁰ Reduce GHG emissions and gather actual emission data from scope 1, 2 and 3.	Decrease our emissions from business travel by -20%.	2022	✓	Fullfilled, -50% in 2022.	Emissions from business travels had decreased by 50% in 2022 compared to 2018.
	Reach 100% renewable energy sources for electricity used in all Nudie Jeans operated facilities by changing energy subscription or investing in Energy Attribute Certificates.	2023	→	In progress, in 2022, 88% of all electricity consumed in our facilities came from renewable sources.	The share of renewable energy increased in 2022, both thanks to changes of energy contracts but also through purchases of EACs.
	Reduce scope 1 and 2 GHG emission by 51% to 2030.	2030	→	In progress, -68% in 2022.	The large emission reduction is connected to an increased share of renewable electricity in our stores an offices. This is achieved both through changes of electricity providers but also through purchases of EACs.
	Reduce scope 3 GHG emissions by 51% by 2030 ²²	2030	→	In progress, -19 % in 2022.	The emission reduction is connected to a decreased production volume in 2022, as well as an increased share of renewable energy at some of our suppliers

22. All emission data in this report is for the full year of 2022.

21. For all data, we used 2018 as a base year, unless otherwise stated.

22. Excluding emissions from the "use-phase" emissions category.

Environmental impacts and fiber integrity of raw materials Increased use of preferred fibers and strengthen the integrity of fibers by third party certification on product level for a full chain of custody.	Meet increased requirements of share of preferred fibers per product group with start from Drop #1 – 2025.	2025	→	In progress.	The products under development are in line with new requirements.
	Develop and launch products made in Regenerative organic cotton	2025	→	In progress.	Products are under development.
	Nudie Jeans becomes a GOTS certified brand	2024	→	In progress.	GOTS audit was carried out in December 2023
Living wages Develop and adapt the concept of living wages at our different suppliers.	Map the wage levels at 100% of our main suppliers and their employees' need for a living wage ²⁵ .	2023	×	Missed target.	Due to lack of suitable open costing tools for EU Suppliers, the goal will be revised and rescheduled next year.
	Implement our living wage payment to reach 100% of employees at all of our main suppliers in high-risk countries ²⁶ .	2025	→	In progress, 64% in 2023.	In total, we paid our share or livingwages at four suppliers in 2023.
Scale up our circular activities in the user phase and for post-consumer products. Develop our existing programs for repair, reuse and recycle	Open 50 new permanent repair spots, including Repair Shops, partner stores and Repair Partners (base year 2017.)	2030	→	In progress, 40% in 2023.	In 2023 we opened up a new store in Brooklyn, New York and several new Repair Partners. A few stores in Japan also closed and all in all, we backed 2% from 2022.
	Add Reuse tops to the assortment.	2023	×	Missed target.	Due to low traction in the collection of tops from our users, the goal has been revised and rescheduled to 2025.

25. Main suppliers in all our production countries.

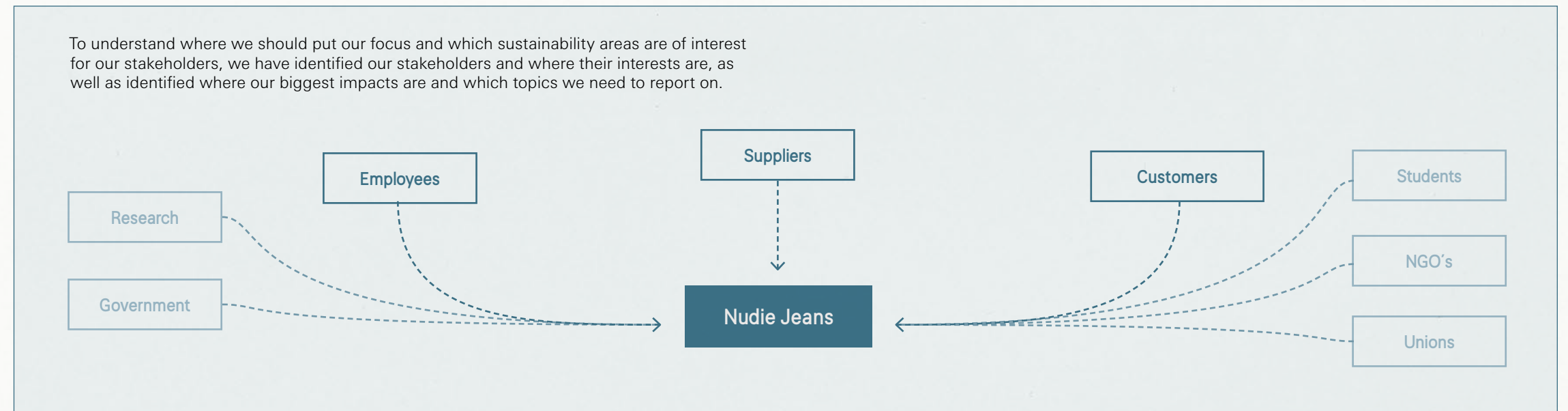
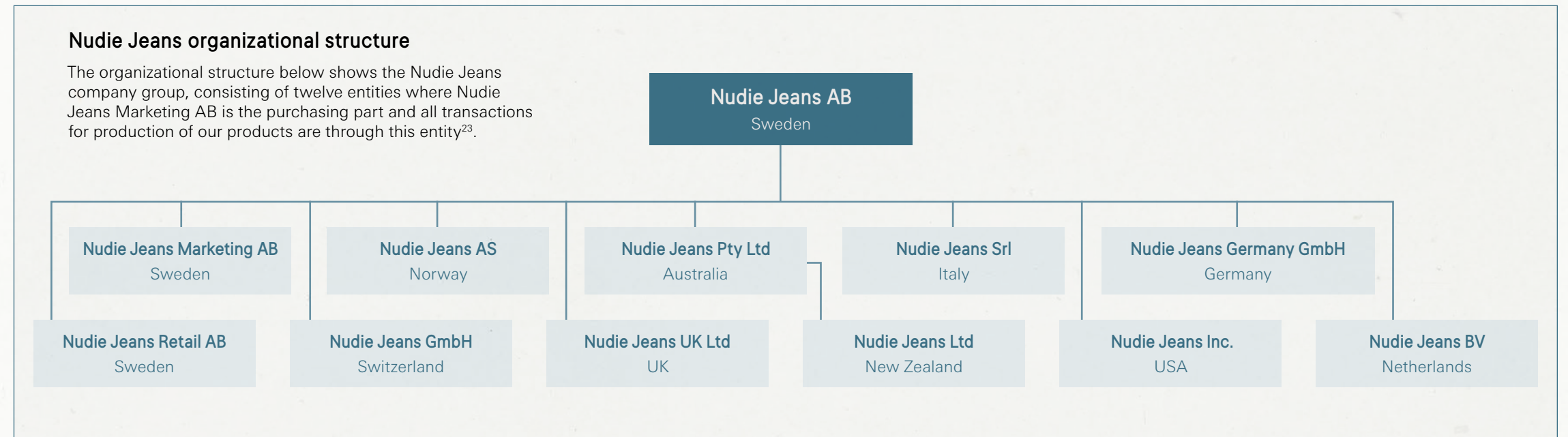
26. According to our Risk Profiles, it includes Tunisia, India and Türkiye.

Reporting structure

Nudie Jeans' sustainability report for 2023 reflects the activities performed at all subsidiaries of Nudie Jeans AB. The social, financial, and environmental data presented in this report reflect the activities and impact of these units. It also includes the impact we have made through our production suppliers in Italy, Portugal, Tunisia, Türkiye, Poland, Lithuania, Sweden and India. The denim industry has a high impact on local communities and the environment, and we work to the best of our ability to minimize negative effects and make a positive impact where possible, on social, economic, and environmental aspects. We hope that by sharing and being transparent about our work, we will inspire others to take responsibility for their full production chain and the impact they have.

The GRI standards and Sustainable Development Goals are our starting points, and we have identified our most important stakeholders as customers, suppliers, and employees. When conducting our stakeholder survey, we presented the identified topics to our stakeholders (customers, suppliers, and employees) through an online survey.

23. All subsidiaries are owned 100% by Nudie Jeans except Nudie Jeans Pty Ltd who have 60% of shares and voting rights. Nudie Jeans AB is owned by Svenska Jeans Holding AB.



The result from the stakeholder survey for customers we made in 2021 was reused for the analysis for 2023. For the other stakeholders, suppliers and employees, we used the data to the analysis from the previous year. The stakeholders prioritized the topics according to their importance, and the result is presented in the materiality analysis. Socio economic assessment is one area we decided not to report specifically on this year, due to limited qualitative data.

The result of the survey was aligned with the key material topics for Nudie Jeans sustainability department and management, and the noticeable changes was foremost on the topic of climate work. The areas of health and safety, nondiscrimination and working conditions including living wage was rated high by our stakeholders. Transparency and traceability of product was rated high as well as other material topics like climate work, repair, reuse and recycling activities. The topic where a major change could be seen compared to last year, was industry partnerships that was rated lower in importance while climate and reducing emissions was rated higher than the year before. Biodiversity was a new material topic which came quite high on the matrix, while social assessment was a topic we do not have data on yet to include in the reporting.





GRI references³³

This material references disclosure:

- 2-1, -2 -3, -4, -5, -6, -8, -13, -14, -15, -16, -17, -18, -22, -23, -24, -25, -26 and -29 from GRI 2: General Disclosures 2021.
- 201-1 and -2 from GRI 201: Economic performance 2016.
- 205-2 from GRI 205: Anti-corruption 2016.
- 301-1 and -2 from GRI 301: Material 2016.
- 302-1, -2 and -5 from GRI 302: Energy 2016.
- 303-5 from GRI 303: Water and Effluents 2018.
- 304-2 From GRI 304: Biodiversity 2016.
- 305-1, -2, -3 and -5 from GRI 305: Emissions 2016.
- 306-2 from GRI 306: Waste 2020.
- 401-3 from GRI 401: Employment 2016.
- 402-1 from GRI: 402 Labor management relations 2016.
- 403-1 and -4 from GRI 403: Occupational Health and Safety 2018.
- 404-2 from GRI 404: Training and Education 2016.
- 405-1 from GRI 405: Diversity and Equal Opportunity 2016.
- 406-1 from GRI 406: Non Discrimination 2016.
- 407-1 from GRI 407: Freedom of Association and Collective Bargaining 2016.
- 408-1 from GRI 408: Child Labor 2016.
- 409-1 from GRI 409: Forced or Compulsory Labor 2016.
- 413-1 from GRI 413: Local Communities 2016.
- 414-1 and -2 from GRI 414: Supplier Social Assessment 2016.
- 418-1 from GRI 418: Customer privacy 2016.

In addition, we added data on other relevant areas for Nudie Jeans that we want to report on, as they are significant for our sustainability work.



Materiality analysis

When writing this report, we kept our primary stakeholders in mind: our employees, suppliers, and customers. But the report is also directed at anyone with an interest in Nudie Jeans' sustainability work, including NGOs, other brands, suppliers, researchers, or students.

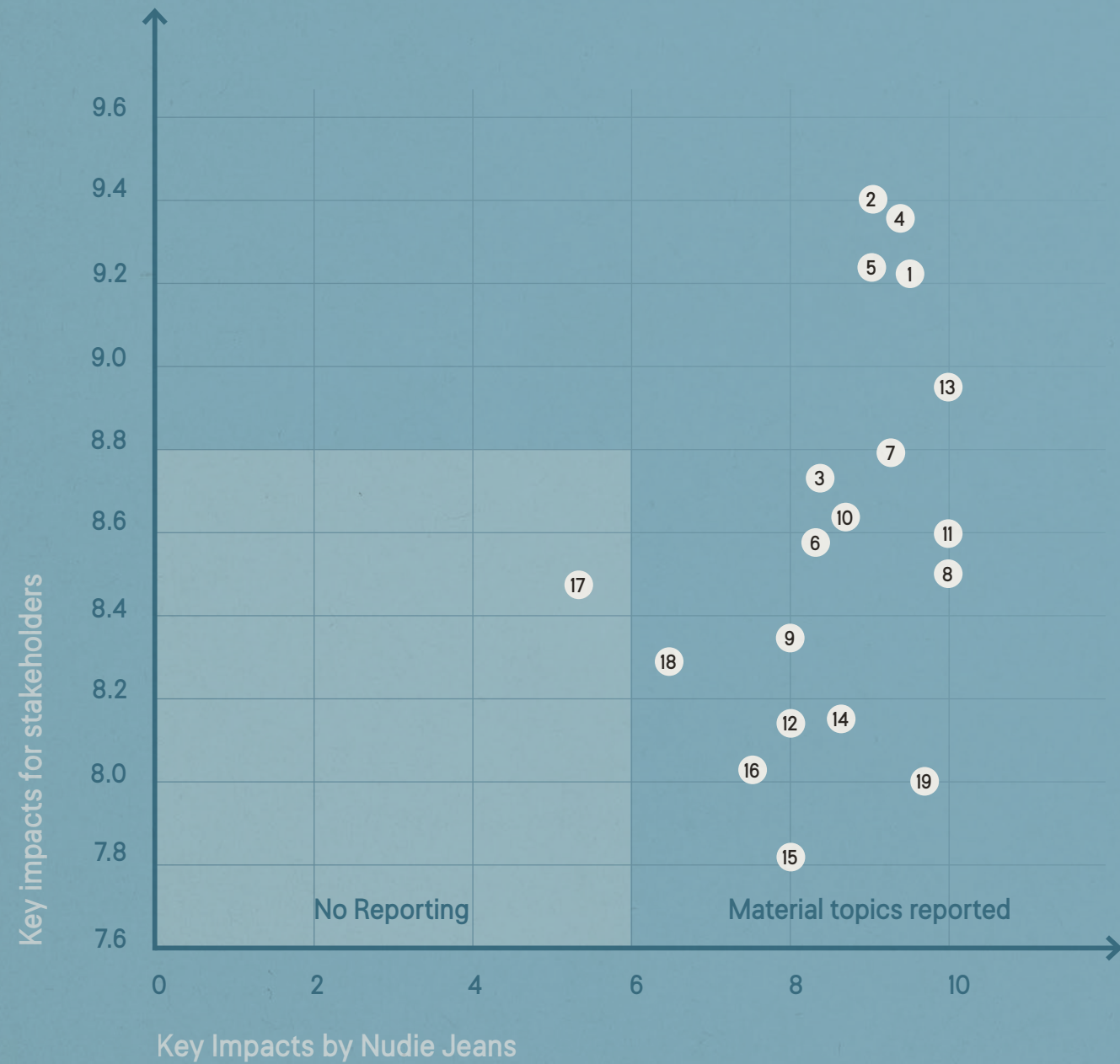
By reporting on both positive and less positive impact points, together with the balanced information we publish in the product card online including audit summaries, we aim to be transparent in terms of what we have carried out so far, and in terms of our challenges. In our materiality analysis, we have considered all relevant GRI standards that are related to our supply chain and selected the disclosures relevant for our business.

This led to the structure of this report, with chapters covering materials, production, user-phase and information on Nudie Jeans as a workplace, communication, partnerships, and financial information. We have included all sustainability activities for the full year 2023.

The time frame for creating this report was good. We allocated resources and time and we continued our work in the digital sustainability reporting system, Worldfavor (worldfavor.com), and Asana, (asana.com), for project management to make this process more systematic. The sustainability report has been published approximately at the same time of the year as last report.

Materiality matrix

Key aspects for stakeholders shows the compiled data from surveys with employees, suppliers and customers, while key aspects for Nudie Jeans is the compiled data from Nudie Jeans management and sustainability team.



Our focus areas	Our identified topics	SDGs	Identified GRI standards	Boundaries	Pages
Organization and strategy	9. Environmental management system at Head office	8	205: Anti-corruption 408: Customer privacy 102: General Disclosures	Head office	7–13
Materials	7. Sustainable Materials & Certifications 12. Animal Welfare 18. Biodiversity	1, 2, 3, 9, 12, 13, 15, 17	301: Material 413: Local community 302: Energy 305: Emissions 304: Biodiversity	Scope: Supply chain	14–30
Production	1. Child Labour and forced labor 3. Freedom of Association 4. Employment conditions 6. Audits, workers training and supplier assessments 10. Chemicals and water in production 2. Occupational health and safety 14. More sustainable transport options 8. Climate, lower emissions, and clean energy 13. Transparency and traceability of products 19. Social Assessment	1, 4, 5, 6, 7, 8, 10, 12, 13, 14	302: Energy 303: Water and effluence 305: Emissions 306: Waste 401: Employment 403: Occupational Health Safety 404: : Training and Education 407: Freedom of association 408: Child labor 409: Forced or compulsory labor 414: Supplier social assessment	Scope: Supply chain	31–66
Products and User-phase	11. Repair, reuse, recycle activities	8, 12, 13	301: Material 302: Energy	Scope: Stores and Retailers	67–83
Communications and Collaboration	15. Partnerships	8, 12, 13, 17	102: General disclosures	Scope: Head office	84–92
Nudie Jeans as a Workplace	4. Employment conditions 5. Diversity, equality and non-discrimination	3, 5, 8, 10	102: General disclosures 401: Employment 402: Labor and management relations 405: Diversity and equal opportunities 406: Non-discrimination	Scope: Head office	93–95
Financial Information	16. Financial status of Nudie Jeans	8	201: Economic performance	Scope: Head office	96
Non material topics	17. Warehouses and distribution centers				

Corporate registration
number 556767-9427

The auditor's opinion regarding the statutory sustainability report of Nudie Jeans AB

Assignments and division of responsibilities

The Board is responsible for the sustainability report for 2023 and for its preparation in accordance with the Annual Accounts Act.

The focus and scope of the review


My review was conducted in accordance with FAR's recommendation RevR 12 The auditor's opinion on the statutory sustainability report. This means that my review of the sustainability report has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. I believe that this review provides me with a sufficient basis for my statement.

Statement

A sustainability report has been prepared.

Göteborg, May 6, 2024

Håkan Mårtensson
Authorized Public Accountant
Audit firm: HMN Revisorer, Sweden



BY DOING WHAT WE DO, WE SHOW THE INDUSTRY AND
CONSUMERS ALL OVER THE WORLD THAT IT IS POSSIBLE
TO PRODUCE AND CONSUME IN RESPONSIBLE WAYS.

THANK YOU!
FOR READING NUDIE JEANS
SUSTAINABILITY REPORT 2023

IF YOU HAVE ANY COMMENTS, QUESTIONS OR FEEDBACK,
PLEASE CONTACT US AT SUSTAINABILITY@NUDIEJEANS.COM

Appendix 1

Abbreviations and glossary

AFIRM (Apparel and Footwear International RSL Management)	Brand-driven membership organization of apparel and footwear companies collaborating to promote chemicals management in the global supply chain.	FSC (Forest Stewardship Council)	An international non-profit, multistakeholder organization that promotes responsible management of the world's forests.	OCS (Organic Content Standard)	International, voluntary standard that sets requirements for third-party certification of certified organic input and chain of custody.
BCI (Better Cotton Initiative)	A non-profit, multistakeholder governance group that promotes better standards in cotton farming and practices.	FWF (Fair Wear Foundation)	A multi-stakeholder organisation that works with garment brands, workers and industry to improve labour conditions in garment factories.	Post Consumer	A waste type produced by the end consumer of a material stream.
BRM (Brand & Retail Module)	Evaluate social and environmental impact across a wide range of business operations, from packaging and transportation to the environmental impact of stores and offices.	GMO (Genetically Modified Organism)	Any organism whose genetic material has been altered using genetic engineering techniques.	PPE (Personal Protective Equipment)	Equipment worn to minimize exposure to hazards that cause serious workplace injuries and illnesses.
Circularity	The principle that used or discarded products serve as raw materials for new products or materials.	GOTS (The Global Organic Textile Standard)	Textile processing standard for organic fibres, ecological and social criteria by independent certification of the entire textile supply chain.	RAS (Responsible Alpaca Standard)	A voluntary standard that addresses the welfare of alpaca and the land they graze on.
CBA (Collective Bargaining Agreement)	A written legal contract between an employer and an union representing the employees.	GRI (Global Reporting Initiative)	Helps businesses and organizations understand and communicate their impacts on issues such as climate change, human rights and corruption.	Regenerative organic cotton	Organic cotton that is grown using regenerative agriculture practices that aims to improve soil health, increase biodiversity, and sequester carbon.
EMAS (Eco-Management and Audit Scheme)	A voluntary environmental management instrument.	MRSL (Manufacturer Restricted Substance List)	List chemical substances which are subject to a usage ban and establishes acceptable concentration limits for hazardous substance for the manufacturing stages.	RMS (Responsible Mohair Standard)	A voluntary standard that addresses the welfare of goats and the land they graze on.
eNPS (Employee Net Promoter Score)	A method of measuring how willing the employees are to recommend their workplace to their family or friends.	MSI (Materials Sustainability Higg Index)	A database and tool to measure and score the environmental impacts of materials.	RWS (Responsible Wool Standard)	A voluntary standard that addresses the welfare of sheep and the land they graze on.

RSL (Restricted Substance List)	A list of chemical substances that are banned from intentional use in the end product. Each chemical substance has a limit value, used when testing the products.
SDG (Sustainable Development Goals)	Also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.
SBTi (Science Based Targets initiative)	A collaboration between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature, with the purpose to enable companies and financial institutions worldwide to play their part in combating the climate crisis.
STICA (Swedish Textile Initiative for Climate Action)	A network with the purpose of supporting companies and stakeholders to reduce their greenhouse gas emissions, and contribute to the needed transformation of the apparel and textiles industry.
Tier 1	Includes the process of the finished product assembly and laundry.

Tier 2	Includes the process of the material production and trim production.
Tier 3	Includes the process of the raw material processing.
Tier 4	Includes the process of the raw material extraction.
WEP (Workplace Education Program)	Designed to help brands and factories take steps towards workplace awareness.
WRI (World Resource Institute)	The activities are focused on seven areas: food, forests, water, energy, cities, climate and ocean.