THE NAKED TRUTH ABOUT NUDIE JEANS

SUSTAINABILITY REPORT 2024

Nudie Jeans co

Table of Contents

00. Highlights 2024 3
The Nudie Jeans timeline 4
Reflections on 2024 and the future 5
Company strategy and governance 6
Communication and collaboration 9
Nudie Jeans as a workplace 17
Financial information 19
The world of Nudie Jeans 20
Nudie Jeans value chain 21

01. Materials 22
Nudie Jeans Material Tool 25
Fibers 27
Biodiversity 36
Certifications 38

02. Production 39
Working conditions at our suppliers 41
Audits and trainings 44
Right to a living wage 47
Purchasing practices 50
Social dialogue 51
Grievance system 53
Supply chain transparency 54
Production countries 56
Chemicals 57
Water 58
Climate 61

03. Products and user-phase 75
Repair Shops 76
Break in 80
Repair 81
Reuse 83
Recycle 84
Re-use Gold 85
Rental 86
External partners 86
Repair Partners 87
Unsold and faulty garments 88
Bags and packaging 89
Customer experience and e-commerce returns 90

04. Next steps forward 92

05. Reporting structure 95
Appendix 1 — Abbreviations and glossary 102

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.

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.

Highlights 2024

Reduction of CO_2e emissions
A total reduction of 27% CO_2e emissions (user phase excluded) compared to 2018 – we mapped all our emissions from our full supply chain in accordance with the Greenhouse Gas Protocol.

Free repairs
In 2024 we repaired 68,342 Nudie Jeans.

96% Organic, certified, or recycled fibers
Of all fibers we used in 2024, 96% were fibers we defined as preferred according to the Nudie Jeans Material Tool.

Paid express repairs
We expanded the paid express repairs service, which had already started in the UK, to the US.

Leaders!
We were ranked as Leaders in FWF benchmarking with one of our highest scores ever.

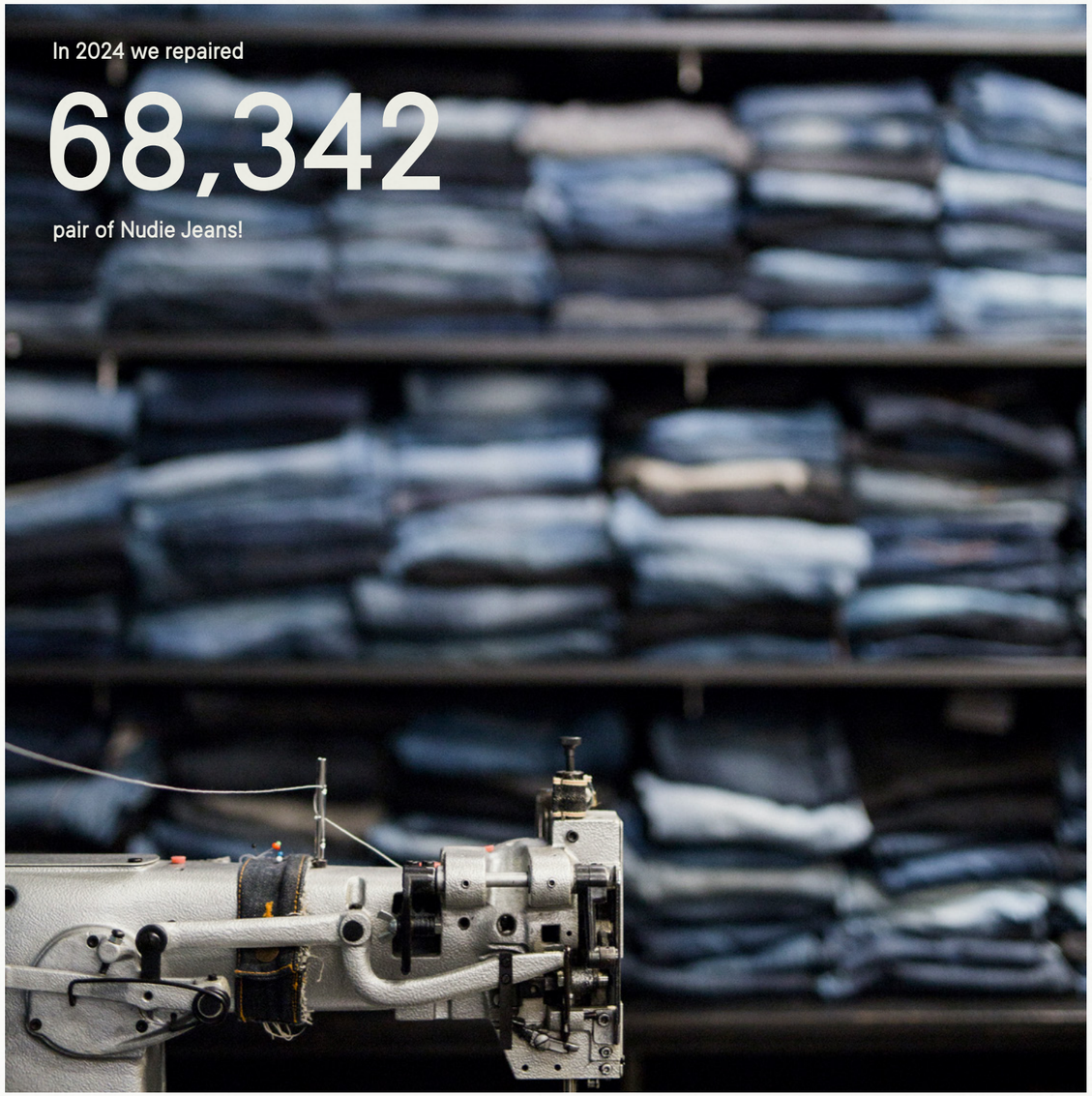
Scaling up of our reversed supply chain
In 2024 we continued our Repair and Reuse development through new external partnerships for refurbishing jeans. We were also granted funding for a research and innovations project from the Swedish Energy Agency, focused to scale and develop our circular business model overall, with Sweden as a piloting market.

Certified organic
When we use virgin cotton, we are proud to say that we only work with certified organic cotton.

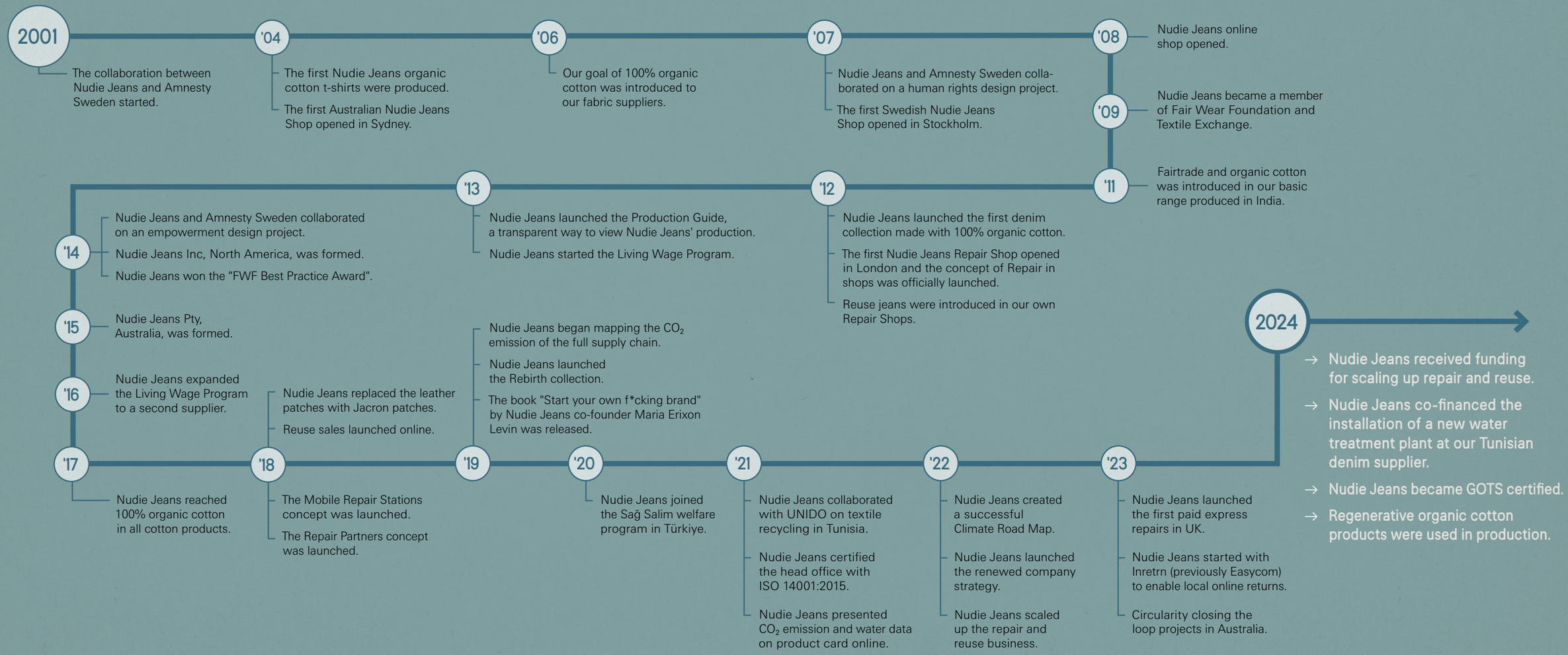
Investments in the value chain
We co-financed the installation of a new water treatment plant at our Tunisian denim supplier.

Regenerative organic cotton
We started implementing Regenerative Organic Cotton in selected styles.

GOTS certified
Nudie Jeans became GOTS certified with the first certified products in Spring 2025.



The Nudie Jeans timeline



Reflections on 2024 and the future

The year 2024 has been a successful one for Nudie Jeans. We reached a milestone, proving that our strategy and business model remain strong despite the ongoing challenges facing our industry, from the lasting effects of the pandemic to the wars in Europe and the Middle East, as well as inflation and recession. By renewing the strategy and maintaining the core values, the company has managed to grow and sees no reason to change course. Instead, the ambition is to increase volume, pace, and ambitions aligning with what is already being done.

Sustainability has been a central part of the company's success. As we integrate sustainability into our core business strategy, we naturally tend to discuss it in terms of a sustainable business model rather than treating it as a separate subject. This approach also leads to a stronger focus on sustainable leadership. During the year, we have worked to become more financially stable by developing products that are both economically and environmentally sustainable. The company has also prepared for upcoming legislation and is working to become compliant with new rules and requirements.

During the year, we have broadened the concept of sustainability and integrated it into all parts of the business. This includes more employees working daily with sustainability as sustainability related work tasks are integrated into various departments, such as Supply Chain and Product Development. This aligns with our focus on sustainability actions in our own value chain moving forward.

In summary, 2024 has been a year of growth, sustainability, and preparation for the company's future. By focusing on sustainability, financial stability, and preparation for upcoming legislation, we have created a stable foundation for continued success.

Specific actions in the value chain we want to highlight are the upscaling of our repair and reuse activities, our focus on regenerative organic cotton and direct financial support of the water treatment plant support at our denim supplier in Tunisia.

Nudie Jeans Management

Joakim Levin
CEO

Malte Ramberg
CFO

Sandya Lang
CSO

Lee Qvicklund Bremer
HoGC - Sales & Operations

Maria Lundbäck
COO

Anton Melin
HoGC - Business development

Company strategy and governance

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 in more than 50 markets.

The reporting organization is the group of companies where Nudie Jeans AB is the controlling company. For 2024, the company group included twelve legal entities, where Nudie Jeans Marketing AB is the buying party for all organizations. In 2024, sales for the reporting organization amounted to SEK 511 million, which was an increase from 2023 by 6%. 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 2024, the shares in Nudie Jeans AB were indirectly controlled by Maria Erixon Levin and Joakim Levin, with Joakim holding the majority of the shares.

Governance

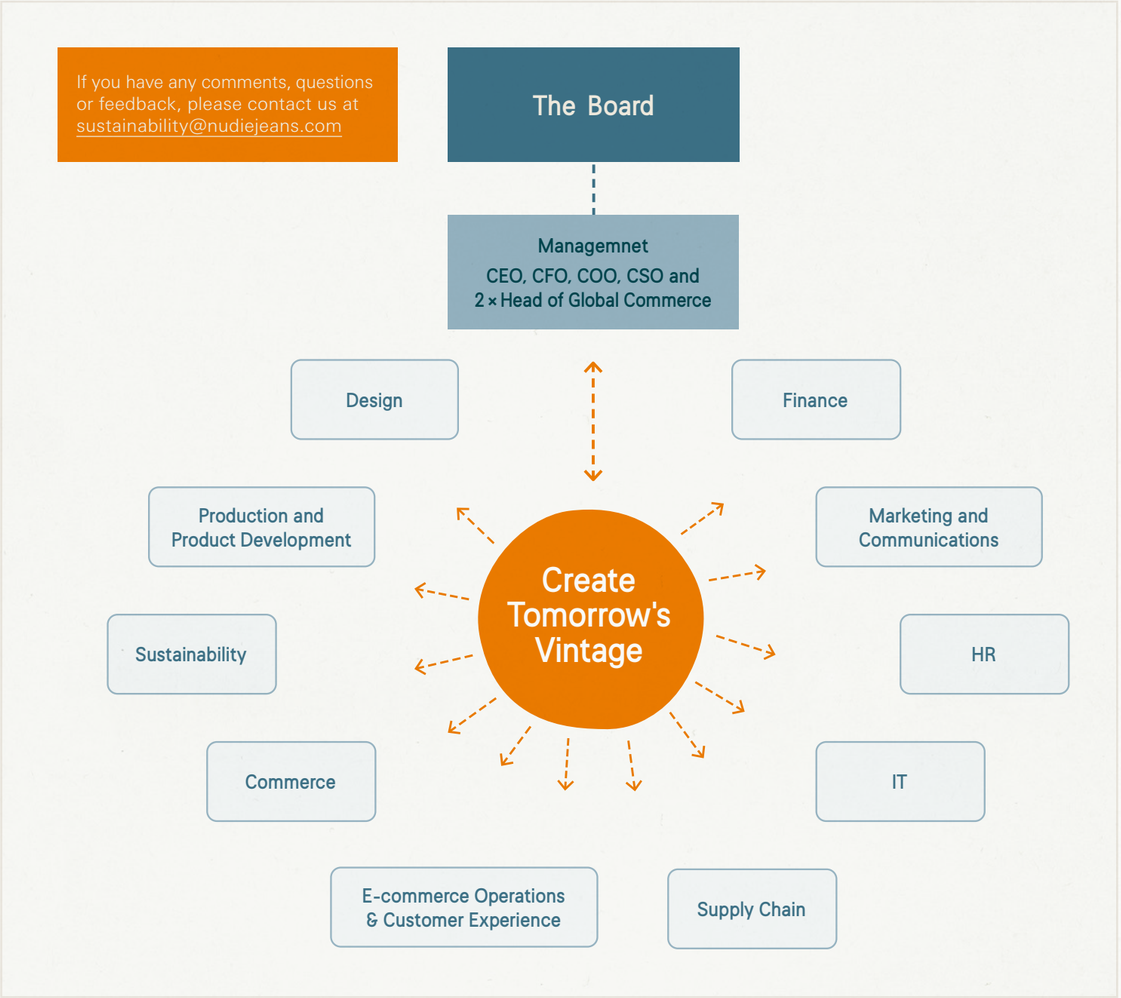
For us, sustainability is not just about the environment or the social aspects of the supply chain. It is a way to manage a company and a brand.

In 2024, we continued to work with Nudie Jeans' renewed strategy, Create tomorrow's vintage, in various parts of the organisation. Create tomorrow´s vintage strongly relates to our heritage, future products, sustainability, and the co-creation process with our customers.

The strategy's development and clarification, combined with cost awareness and some organizational changes, resulted in a more effective and productive organization in 2024.

The Board of Nudie Jeans AB consists of five members in total including the owners. The board is responsible for the company´s sustainability work overall and has specific sustainability competence.

The management group consists of six members, the CEO, CFO, COO, CSO, Head of Global Commerce—business development, and Head of Global Commerce—sales and operations. The group is responsible for aligning the sustainability work with the company's strategy. The CSO is responsible for executing the strategic sustainability work. During the year, the sustainability department at Nudie Jeans consisted of three full-time employees responsible for executing the operational sustainability work within social, environmental, and circular compliance and innovation in collaboration with different departments.



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 2024, we continued to perform environmental and human rights due diligence to our activities by using several data management systems that track risks for countries and supplier as well as action plans for tier 1 suppliers. The progress for human rights risks and actions are reported in the Nudie Jeans Social Report.

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 2025. 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

Nudie Jeans' prioritized SDGs

Nudie Jeans' prioritized Sustainable Development Goals are SDG 8, 12, 13, 15 and 17, as they capture the areas in which we have the largest impact in our value chain and society. The SDGs selected are interconnected, and we acknowledge that our business affects more goals than our most prioritized SDGs.

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 2024, we had no registered non-compliances of the Data Privacy Policy. We have an external policy for our customers as well as internal GDPR policies in the actual steps of compliance with the regulation.

Whistleblowing

In 2024, four cases were reported through the whistleblowing channel, two of which were related to products/delivery and were sent forward to the customer experience department. The remaining two relevant whistleblowing cases regarding fraudulent behaviour were closed in 2024.

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 this section are illustrated by the importance of the goal, where the main SDGs are 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.

Sharing is caring

In 2024, 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 2024, we participated in more than 45 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 20 public speeches held globally, including presentations and panel talks and various online events with different target groups and purposes.

> In 2024, we participated in over 45 events including interviews and public speeches.

Social media and community

We create a community that cares—encouraging a new mindset around consumption and clothing care. We aim to inspire repairs over new purchases, reduce online returns, and boost second-hand sales—all of which contribute to a more sustainable textile industry. Our community is essential to Nudie Jeans because, without them, we wouldn't be able to create tomorrow's vintage.

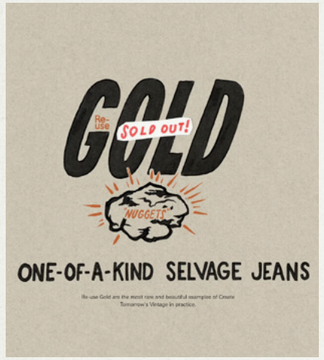
While we love meeting our community in our stores, social media is vital for connecting with those we can't meet in person. Each of our stores has its own local Instagram account, allowing them to engage directly with their community, share in-store events, and highlight repair and re-use initiatives specific to their region. Our digital presence enables us to share our passion for denim on a global scale while keeping local connections strong.

We love telling our stories, but even more, we love seeing how our customers make Nudie Jeans their own. By encouraging them to share their denim journeys, we witness firsthand how our jeans evolve over time—an invaluable source of inspiration for future washes and limited editions.

Social media is also a key platform for communicating our commitment to sustainability. In 2024, we highlighted major initiatives, including our climate action efforts and our circularity partnership with ACS. Additionally, we collaborated with industry voices such as Good On You and Following the Footprints to shine a light on the importance of conscious production and consumer behavior.

Through social media content, events, and features like the This is Nudie Jeans section on our website, we connect with both longtime followers and new audiences—ensuring our values, innovations, and stories reach the world.

By fostering an active and engaged community, we not only celebrate well-worn denim but also reinforce our commitment to sustainability, transparency, and craftsmanship.



Re-use GOLD

Re-use Gold are the most rare and beautiful examples of Create Tomorrow's Vintage in practice …

Good on you collaborative feature

Nudie Jeans dubs every pair it makes "forever jeans" because they're made to outlast their owner and be handed down to generations to come—with a few repairs here and there, of course. And "forever jeans" isn't just a campaign name or buzzy phrase, it is an overarching philosophy that guides the brand in its endeavours …

Following the Footprints >>> Black Friday: What should brands do?

Every year, Black Friday brings into focus the role we as brands, and as consumers, play. On Wednesday 27th November we're gathering our community at Nudie Jeans to talk about what brands should do next …

Spill the sustainability Live podcast in SOHO London Repair Shop.

The Nudie Jeans Repair Shop in London hosted the launch of the new podcast 'Spilling the sustainabili-tea' by Izzy Manuel and Rosie Okotcha where they explore the world of sustainable fashion, from personal experiences to the science and history behind our clothes. This podcast is a fun introduction to the world of sustainability.

Gothenburg "Kulturkalaset"

At Kulturkalaset, we invited denim lovers to get hands-on at our Nudie Jeans Workshop, turning old fabrics into future classics. With guidance from our Repair Shop team, guests experimented with denim embroidery and creative upcycling, breathing new life into their garments. Whether working with Nudie Jeans or pieces from other brands, everyone shared ideas, cut, stitched, and crafted unique designs using denim scraps, pocket fabric, colorful threads, and more.

Dry Deadstock

Revived from the past, leveraging deadstock to create new products is a fundamental part of our commitment to sustainability and innovation.

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 and Fair Wear Foundation.

Scandinavian Textile Initiative for Climate Action

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

→ sustainablefashionacademy.org/stica

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 2024, Nudie Jeans was ranked Leaders.

→ 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

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.

Fur Free Alliance

We signed the Retailer Commitment Against Fur agreement by the Fur Free Alliance in 2015. The Fur Free Retailer Program is an international initiative to provide consumers with exact information about a retailer's fur policy, allowing them to make an informed choice when shopping. The program recognizes and supports retailers that have committed to a no-fur policy. Our animal welfare policy states which animal-based materials can and cannot be used by Nudie Jeans and is available on our website.

→ furfreealliance.com

Fairtrade

Fairtrade's approach enables farmers and workers to have more control over their lives and decide how to invest in their future. With a Fairtrade labelled product, people can create change through their everyday actions. A product with the Fairtrade mark means producers and 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/

Industry benchmarking

In 2024, 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

The Brand Performance Check is an independent assessment of how well each FWF member brand is performing in Human Rights Due Diligence efforts. In the 2024 Brand Performance Check we were granted with the status "Leader".

→ FWF Brand Performance check report

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 **71%** in scope 1 & 2 for the full year of 2023 compared to the base year of 2018, and by 25**%** in scope 3 for the full year of 2023 compared to the base year of 2018.

→ STICA Progress Report 2022

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.

Bachelor and Master thesis

For many years, we have engaged in research carried out at different universities. In 2024, we had approximately 20 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.

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.

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

System Demonstrators: For a sustainable textile system

In late 2023, the previous pre-study for innovative system demonstrators evolved into a practical research and innovations project covering a wide range of Swedish textile companies and other stakeholders relevant for a holistic circular textile system in the Nordic region. The project is led by Science Park Borås at the Textile University of Borås, and Nudie Jeans' participation is primarily focused on piloting methods for repurposing unsold and faulty garments, and the process of applying Digital Product Passports on real products.

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.

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

SCINTEX

In spring 2024, we applied in a call for driving our own research and innovations project. This call, under the name, Circular economy and resource use within planetary boundaries, was a part of the Swedish research and innovations' program RE:source with funding from The Swedish Energy Agency. The project got the name Scalable Circularity and Service Innovation: For profitable circular models in the textile industry: with the acronym SCINTEX, and aims to explore the scalability and profitability of a holistic and diverse circular business model according to our strategy Create Tomorrow's Vintage. Partners in the project are the tech and refurbishment company RecoMended AB for practical activities, and the two universities of Gothenburg and Lund, covering studies on business economics as well as consumer behaviors. The project stretches from 2024 to 2027 and will investigate developments in the areas of Repair, Re-use, digitisation for circular product flows and expanded infrastructures for optimising the potential of our Circular Business Model. More about the project can be found on RE:source's website.

→ Read more.

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.

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 leaders. We provide managers with updated information and training in labor law and work environment, for them to stay informed. Starting in 2024, we have established a leadership network for managers at HQ who are not part of the management team. The purpose of this network is to enable managers to share knowledge and challenges with each other. The group meets once a month to discuss a pre-determined relevant topic, as well as their current situations and challenges.

A couple of years back we started a trial of recruiting completely anonymously until the interview stage. The purpose was to reduce possible bias, eliminate any form of discrimination and ensure equal opportunities. This is now a permanent routine of our recruitment process for all roles within the entire Nudie Jeans group.

The HR department works closely with labor 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 mangers, 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. We strive to promote a healthy work-life balance. All employees have access 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.

Want to work with us?

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

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. The group consists of both employer and employee representatives as well as HR.

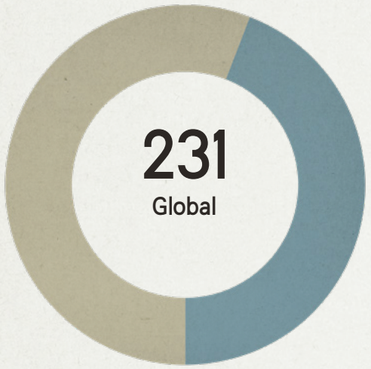
Nudie Jeans shops in Sweden and the Netherlands have a collective bargaining agreement, while Nudie Jeans Marketing, which includes operations at the head office as well as other Nudie Jeans shops, does not. A survey to map interest in a collective bargaining agreement among head office employees was 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.

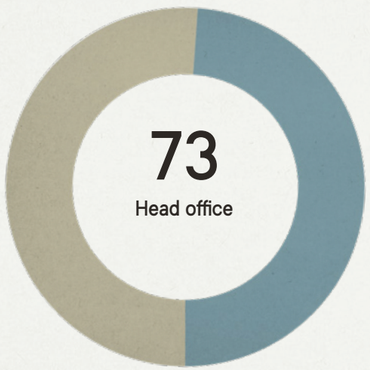
The SDGs in this section are illustrated by the importance of the goal, where the main SDG is displayed in a larger size and the associated SDGs are smaller, based on the significance for Nudie Jeans' impact.

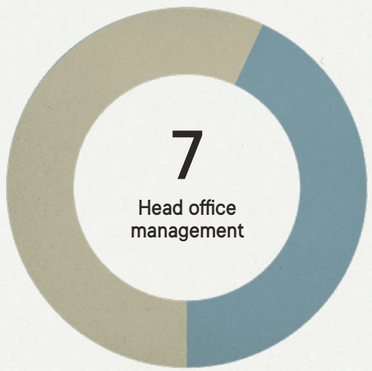
Nudie Jeans employees

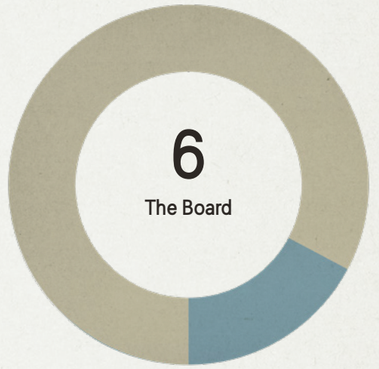
The figures are based on numbers of persons 2024.

Men Women

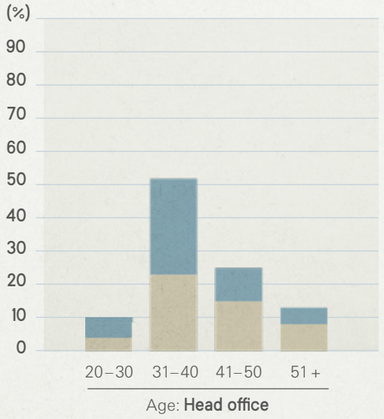


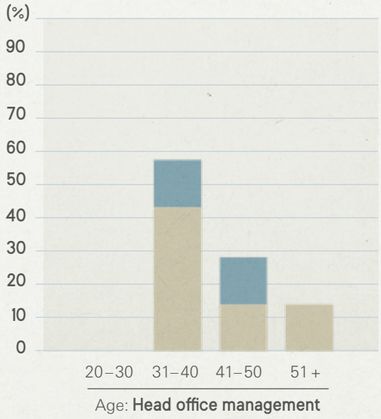


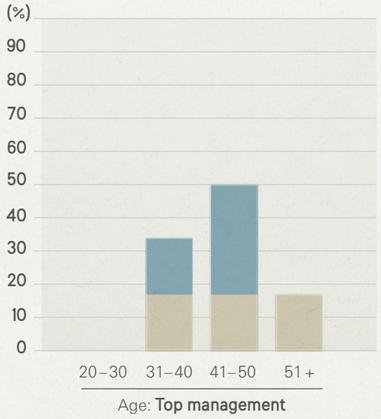


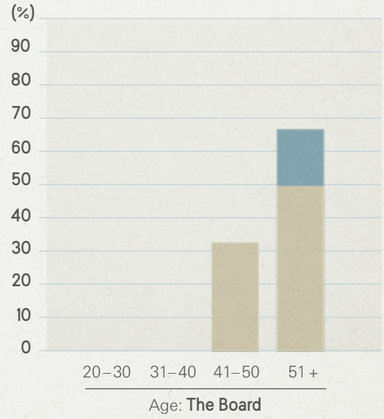


No available data









Financial information

In 2024, the group achieved a 6% increase in total net revenue compared to 2023. Revenue from our own channels (e-commerce and retail stores) grew by 12%, accounting for 66% of total net revenue. One new store (Hamburg, Germany) was opened during the year, reflecting our continued efforts to expand direct sales channels.

In contrast, revenue from external resellers has declined in recent years, with a 6% decrease in net revenue in 2024 compared to 2023. However, our strategy remains focused on growth within this segment. We expect modest growth in 2025, followed by a stronger increase from 2026 onward.

To enhance efficiency and profitability, the group's management launched a restructuring initiative in 2022, emphasizing cost control and savings, followed by staff reductions in 2023. This program has proven successful, leading to improved profitability in 2024, particularly in the second half of the year.

EBIT increased to 42,7 MSEK (8.3%) from 8.3 MSEK (1.7%) in the previous year, achieved alongside positive cash flow and reduced debt levels.

As a result, the equity ratio rose to 77%, aligning with our strategy to strengthen financial independence.

Revenue from circular business models amounted to 4.8 million SEK, representing 1% of Nudie Jeans' total revenue.

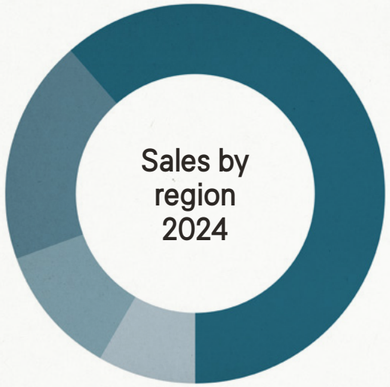
Nudie Jeans' revenue streams from circular business models are defined as follows:

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 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.

The SDG in this section is 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.

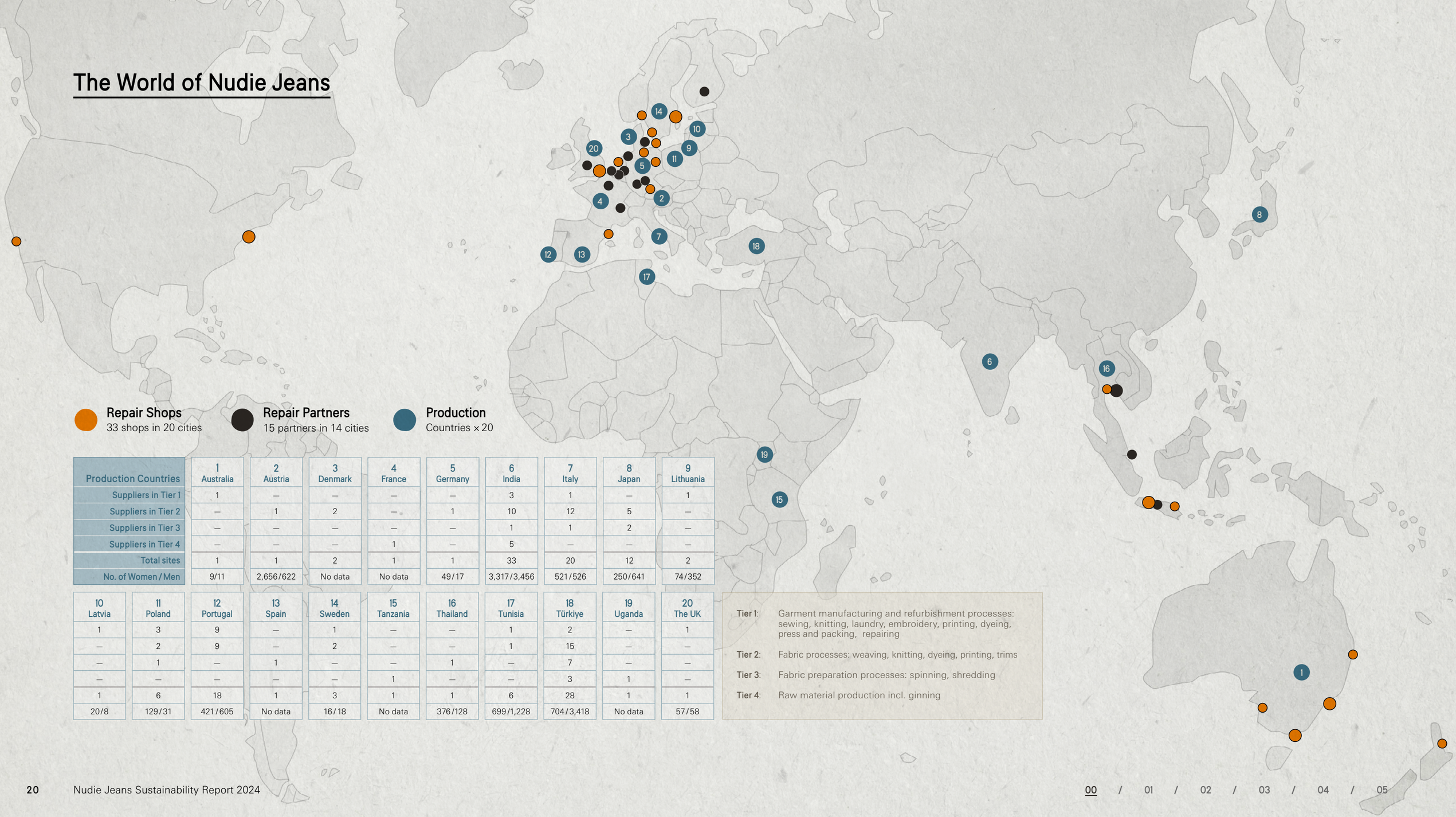


- Europe 61.7%
- Australia / NZ 17.9%
- North America 12.8%
- Asia 7.6%

- Retail 36%
- Wholesale 33%
- Ecommerce 31%

Key figures, Nudie Jeans AB Group, (MSEK)	2024	2023	2022	2021	2020
Net revenues	511.4	482.2	493.1	478.1	382.1
Earnings Before Interest and Taxes (EBIT)	42.7	8.3	19.1	33.3	8.3
EBIT percentage of revenues	8.3%	1.7%	3.9%	7%	2.2%
Total assets	254.3	254.6	258.2	265.2	245.5
Equity ratio	76.7%	65.9%	64.7	67.5%	62.9%

The World of Nudie Jeans



Repair Shops
33 shops in 20 cities

Repair Partners
15 partners in 14 cities

Production
Countries × 20

Production Countries	1 Australia	2 Austria	3 Denmark	4 France	5 Germany	6 India	7 Italy	8 Japan	9 Lithuania
Suppliers in Tier 1	1	–	–	–	–	3	1	–	1
Suppliers in Tier 2	–	1	2	–	1	10	12	5	–
Suppliers in Tier 3	–	–	–	–	–	1	1	2	–
Suppliers in Tier 4	–	–	–	1	–	5	–	–	–
Total sites	1	1	2	1	1	33	20	12	2
No. of Women / Men	9/11	2,656/622	No data	No data	49/17	3,317/3,456	521/526	250/641	74/352

10 Latvia	11 Poland	12 Portugal	13 Spain	14 Sweden	15 Tanzania	16 Thailand	17 Tunisia	18 Türkiye	19 Uganda	20 The UK
1	3	9	–	1	–	–	1	2	–	1
–	2	9	–	2	–	–	1	15	–	–
–	1	–	1	–	–	1	–	7	–	–
–	–	–	–	–	1	–	–	3	1	–
1	6	18	1	3	1	1	6	28	1	1
20/8	129/31	421/605	No data	16/18	No data	376/128	699/1,228	704/3,418	No data	57/58

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

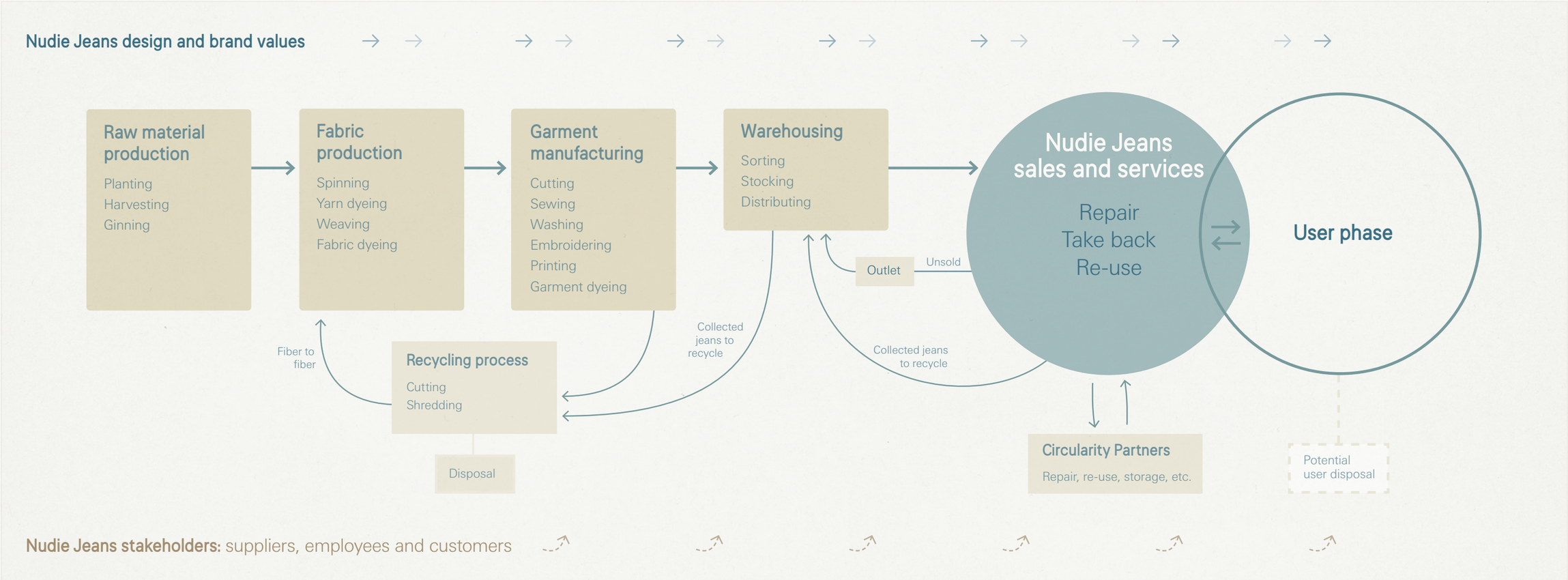
Tier 3: Fabric preparation processes: spinning, shredding

Tier 4: Raw material production incl. ginning

The Nudie Jeans value chain

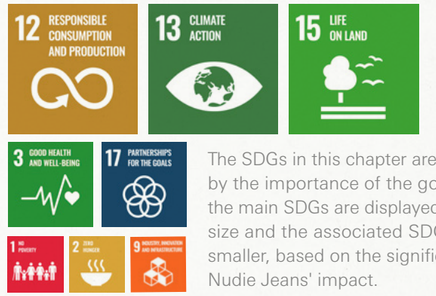
The illustration shows the Nudie Jeans Value Chain and the circular processes for the materials and products. With this illustration, we want to show how our business connects to the lifecycle of our product and the complexity of a fully circular production process, from raw materials through production, 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.



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.	Continue to investigate the impact of working with regenerative organic cotton and scale up the volumes used to increase positive impact.	Increase the volumes of regenerative organic cotton used by implementing the fiber in more styles in 2025 and 2026.
Fiber integrity.	Became GOTS certified as a Brand in 2024 and will launch the first GOTS certified products in Spring 2025.	Increase the number of GOTS certified styles with 20% for all denim styles and 10% for all apparel styles by end of 2026 (base year 2025).



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

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 fabrics and fibers to decrease negative impact on climate and nature 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 cotton[2]**

In 2024, our total fiber use decreased by -17% compared to last year. This decrease in total fiber use reflects the decrease in production volumes in 2024.

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 cotton[1] 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 goal for the rest of our product groups and we are not turning back.

Our main partnerships in this field:
- Chalmers University of Technology
- Chetna Organic
- Mistra BIOPATH

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

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

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.

Akasya and Egecot

For the majority of our denim, we source organic cotton from two key suppliers in Turkey's Aegean region: Akasya[2] and Egecot[3]. Together, these suppliers provide approximately 90% of Nudie Jeans' organic cotton. Both companies collaborate with farmers who cultivate cotton under certified organic standards and, more recently, regenerative organic practices. This shift has allowed us to take an important step toward increasing the use of regenerative organic cotton in our supply chain.

Akasya and Egecot play a crucial role in supporting the farmers they work with by providing training on farming techniques, including efficient irrigation methods and biodiversity enhancement. By facilitating knowledge-sharing and promoting agricultural practices with a lower environmental impact, they help farmers build resilience against the growing challenges posed by climate change.

Climate change is already affecting cotton farming in Turkey, with increasingly unpredictable weather patterns bringing both droughts and floods, as well as hotter summers. These changes pose significant risks to cotton yields and farming communities. For Nudie Jeans, this reinforces the urgency of reducing our climate impact and actively contributing to climate change mitigation.

As two important players in Turkey's organic cotton industry, Akasya and Egecot continue to drive positive change through their extensive organic farming operations and commitment to environmental sustainability.

Chetna Organic

For our shirts and jersey products made in India, we procure Fairtrade, Organic cotton and Regenerative Organic Cotton through the farmers' cooperative, Chetna Organic Agriculture Producer Company[4], which is a fully independent, 100% small- farmers owned company. Chetna contributes information and capacity building about: organic farming methods, in transition-farming, seed developments and expanded livelihood options for small holders in the Telangana, Odisha and Maharashtra regions.

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.

> **By purchasing organic cotton from Chetna, Nudie Jeans indirectly also supports the farming families' possibility to strengthen their livelihoods.**

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. Chetna Organic has several development projects with regards to biodiversity and the local community.

Chetna Organic has promoted holistic farming practices for a long time and working according to the ROC (Regenerative Organic Certification) standard is one way to formalize the work and clearly communicate their practices.

2. → Akasya
3. → Egecot
4. → 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 CO_2 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

Class 1

Recycled or Reused biodegradable fibers or Best Practice virgin fibers.

Class 2

Third party certified organic or equivalent, and/or traceable. Recyclable but not biodegradable. For leather: certified organic and fully vegetable tanned.

Less Preferred

Conventional virgin fibers, highly processed chemical usage, lack of controlled animal welfare.

Do not use

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.

Natural cellulosic fibers

Cotton

- 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

Linnen, Hemp, Jute, Kapok

- Certified organic or EUROPEAN FLAX® linen
- Certified organic or EUROPEAN FLAX® hemp
- Certified organic jute
- Certified organic kapok
- Conventional linen
- Conventional hemp

Natural protein fibers

Wool and animal hair

- Recycled wool, alpaca, mohair
- Certified wool
- Certified alpaca
- Certified mohair
- Certified yak
- Conventional, mulesing free wool
- Conventional wool
- Conventional alpaca
- Conventional mohair
- Conventional yak
- Conventional cashmere
- Hair from animals reared in cages
- Fur, according to the Fur Free Retailer program definition

Feathers and Down

- Recycled feathers and down
- Conventional feather and down

Silk

- Certified organic silk
- Peace silk
- Conventional silk

Leather and skin

- 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

Regenerated cellulosic fibers

- Chemcially recycled cotton (pre- and post- consumer)
- TENCEL™ Lyocell
- FSC® or PEFC™ Pulp
- Cupro
- Acetate
- Viscose
- Modal

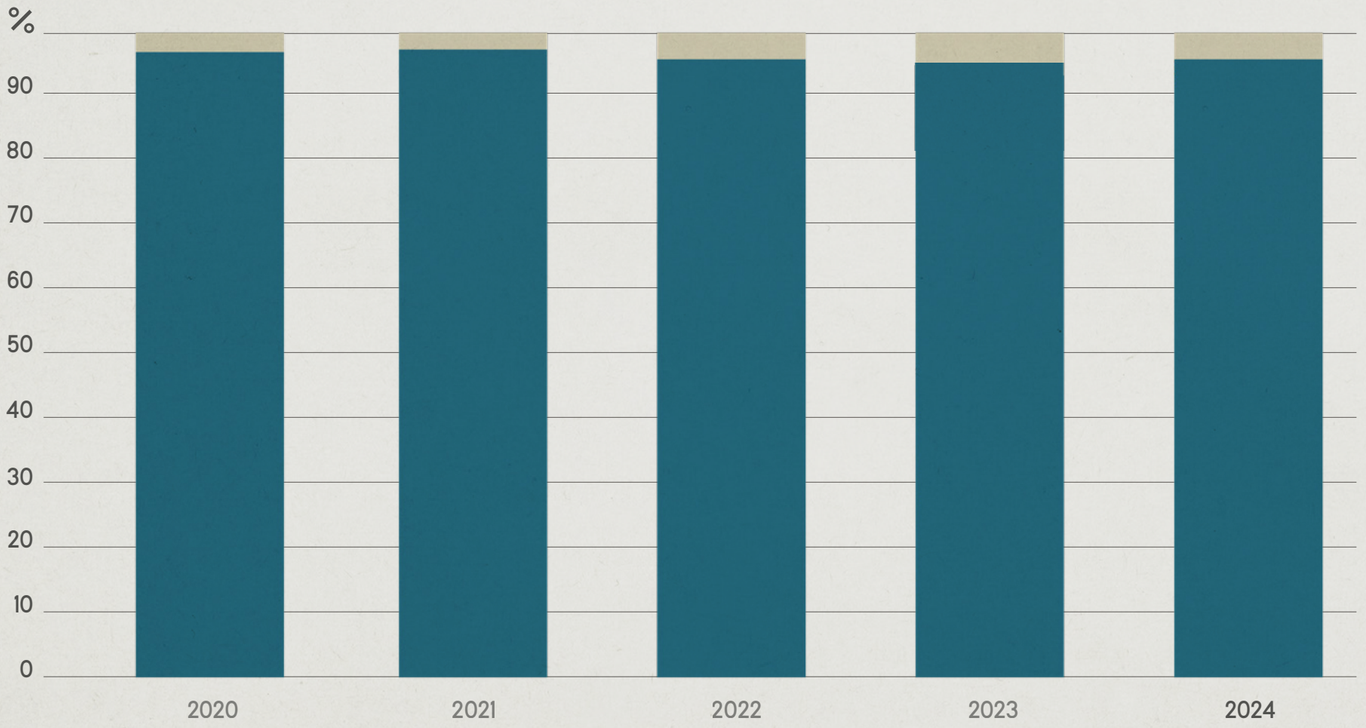
Synthetic Fibers

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

Fibers

2020–2024

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.



4% of all fibers used by Nudie Jeans in 2024 were not defined as preferred.

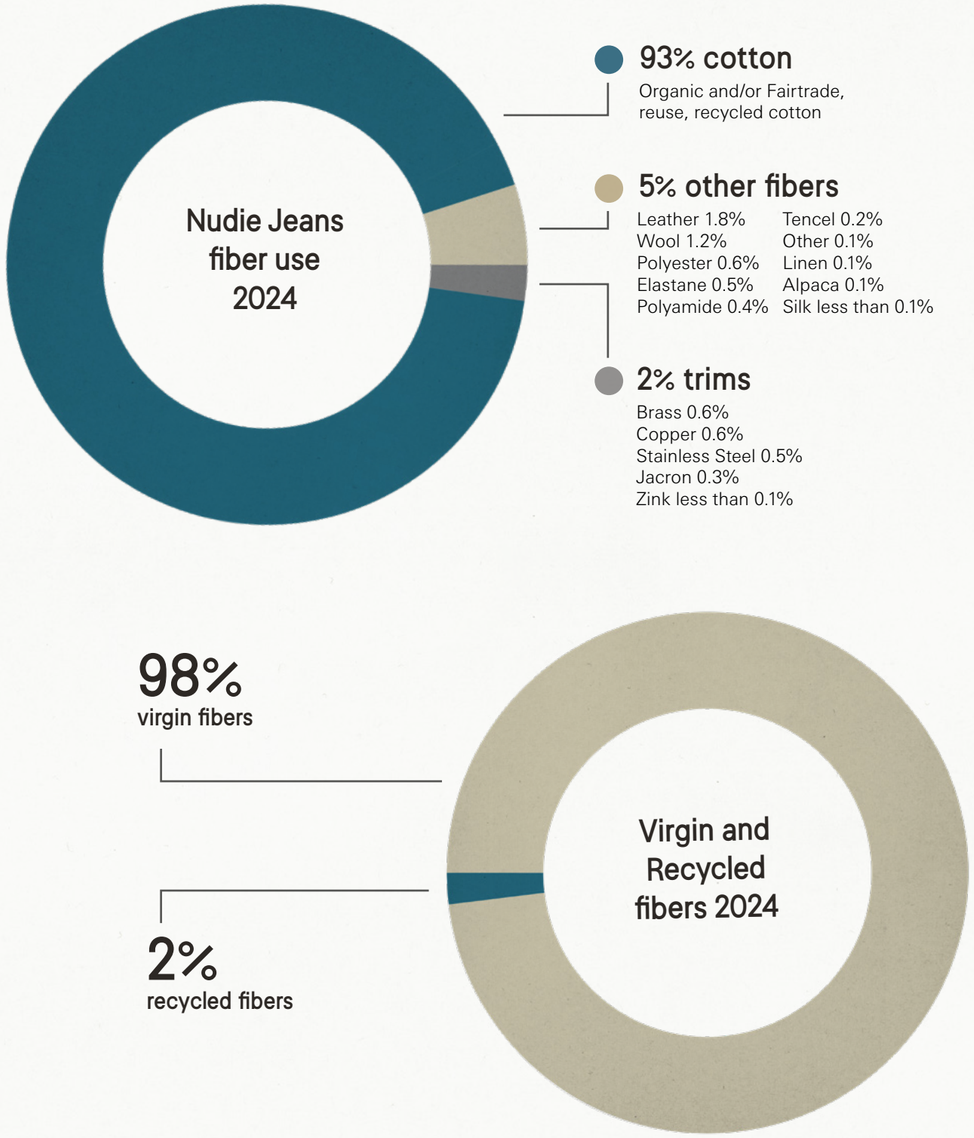
96% of all fibers used in 2024 were preferred fibers as defined in the Nudie Jeans Material Tool

Raw materials

We are proud to say that the fiber we use the most by far is organic cotton, which accounts for 93% of our total fiber use. Over the past three years, the proportion of cotton has remained very stable at around 93% of all fibers used. Although there have been minor fluctuations in the volumes of other fiber types, their overall impact has been minimal. In 2023, we included data from our zipper supplier for the first time. However, due to data quality issues, we have decided not to include the zipper data for 2024 and have consequently corrected the data for 2023 as well.

The use of recycled fibers has decreased compared to the two last year. Much due to that we in 2021 used up a large part of the stock of second choice garments as recycled input when making new denim fabrics. During these two years the stock have slowly grown again and we are now planing on producing denim fabric with second choice garments as recycled input again in 2025.

The share of raw materials for trims are stable over the last years.



> 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 socioeconomic 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
2020–2024

Amount (kg) per year

	2020	2021	2022	2023	2024
Natural Cellulosic fibers					
Organic cotton	326,991	365,239	281,852	275,800	233,974
Recycled cotton	203	10,521	26,537	6,974	2,123
Reused denim					280
Certified linen			101		39
Natural protein fibers					
Conventional virgin wool	49	24		517	200
GOTS/RWS virgin wool	299	1,053	1,019	1,897	1,752
Recycled wool	1,859	1,239	1,534	1,193	1,067
Conventional alpaca	108	284	< 10		
Certified alpaca				87	39
Conventional Mohair					
Certified mohair			126		
Eri silk	202		15	19	32
Chrome tanned leather	1,201	1,350	836		
Semi veg. tanned leather			1,171	3,074	3,470
Vegetable tanned leather	679	954	1,254	1,599	976
Regenerated Cellulosic Fibers					
TENCEL™ Lyocell	4,320	1,580	2,517	1,260	440
Viscose		50			

A general decrease in volumes of production in 2024 have reduced the volumes of organic cotton.

In 2024, we made less denim fabrics with recycled cotton, the production is expected to increase again in 2025.

We used second choice jeans to create shorts, called "shorten the seconds".

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

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

In 2024 we continued to use the certified RAS alpaca we procured in 2023.

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.

In 2024 we decrease the number of shirts made in TENCEL™ Lyocell.

Nudie Jeans fiber usage
2020–2024

Amount (kg) per year

	2020	2021	2022	2023	2024
Synthetic fibers					
Virgin polyester	374	126	<10	364	65
Recycled polyester	2,482	2,298	2,940	2,165	1,463
Virgin polyamide	658	595	965	490	684
Recycled polyamide		247	772	215	368
Virgin elastane	3,386	2,012	2,218	2,198	1,174
Recycled elastane	151	305	272		
Virgin acrylic	148				
Recycled acrylic	198	<10		412	130
Metals					
Copper	2,479	2,147	2,027	1,431	1,328
Brass		1,706	2,582	2,098	1,481
Zinc	16	61	105	1,356	27
Stainless steel	1,280	667	1,236	605	1,150
Other materials					
Jacron	1,161	1,087	1,178	833	778
Other fibers		52	59	50	73

In 2024, we have focused on phasing out the use of virgin polyester, which left us with only a low number for the full year.

In 2024, we did not produce any new denim fabrics with recycled polyester blends.

The increased production of rigid denim have decreased the total use of elastane.

Recycled acrylic was used in woolmix lining fabric.

Due to data quality issues we have excluded the volumes from our zipper supplier. If we can increase the data quality moving forward, we will include the data again.

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

Convential material	Challenges	We work with	Why we work with the fiber	How we use it	Sourcing countries
Cotton	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 synthetical pesticides and fertilizers which contain hazardous chemicals that poses risks for both farmers and biodiversity.	Organic cotton	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.	All virgin cotton in Nudie Jeans products is certified organic.	The absolut 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.
		Organic Fairtrade cotton	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.	Nudie Jeans use organic Fairtrade cotton in all cotton shirts and cotton jersey products made in India.	The Fairtrade cotton used by Nudie Jeans is grown in India.
		Recycled cotton	Using recycled cotton is a great way to decrease our environmental impact, as cotton is a resource-intensive crop to grow.	In 2024, 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.	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.

Convential 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 overshirts, 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 and South Africa. 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, and in 2024 we have continued to use this same lot for our products. 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 2024, we made jackets in a blend of organic cotton and Eri silk. 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 2024 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 2024, 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 lamb, 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.

Convential material	Challenges	We work with	Why we work with the fiber	How we use it	Sourcing countries
Regenerated cellulosic fibers	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.	TENCEL™ Lyocell	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.	Nudie Jeans only uses TENCEL™ Lyocell as regenerated cellulosic fiber in our garments, and the fiber is mainly used in shirts. In 2024, our overall use of TENCEL™ Lyocell decreased compared to the year before.	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 managment certification schemes are applied.

Convential material	Challenges	We work with	Why we work with the fiber	How we use it	Sourcing countries
Synthetic fibers	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.	**Polyester** (virgin and recycled)	Synthetic fibers are used in Nudie Jeans garments for the properties of the fibers. For example, adding polyester to a recycled 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.	In 2024, we continued to work with recycled polyester in running denim fabrics containing a polyester blend, and we also used recycled polyester for linings as well as for yarns in our knits.	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.
		Polyamide (virgin and recycled)		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.	We have not yet been able to trace the origins of the polyamide used in Nudie Jeans' products.
		Elastane (virgin and recycled)	In our comfort and power stretch denim options, we have included between 1–3% elastane, which gives the denim a soft and stretchy feel. Elastane is also used in our underwear.	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.	The elastane producers are known to us, but we have not yet been able to trace the specific production units used.

Convential material	Challenges	We work with	Why we work with the fiber	How we use it	Sourcing countries
Trims	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.	**Metals, corozo, plastic, cotton, FSC certified paper and recycled polyester.**	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.	In 2024, 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.	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.
		Jacron	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.	In 2018, we stopped using leather patches on our denim and replaced them with jacron patches.	The jacron material we work with is made in Germany while the jacron patch is made in Italy.

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 reports[5]. 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 Association[6], 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"[7] Increased awareness of how our business impacts biodiversity will improve the possibility of having an holistic response to climate change.

Restore and Regenerate

In 2024 we finalised the development of our first garments made from regenerative organic cotton. These products will be part of the Spring 2025 collection, and more styles will be added in regenerative organic cotton for coming collections. During the development process, we facilitated knowledge sharing between suppliers who possess extensive knowledge of regenerative organic cotton from various parts of our supply chain, and we discussed challenges and opportunities both with our manufacturer and cotton suppliers. The process created shared insights, inspired progress, and fostered 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.

5. 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.

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

7. → 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 January 2024 Nudie Jeans became GOTS certified, enabling us to produce, and label GOTS certified products. In the past year we have been focused on developing garments according to GOTS requirements, and the first GOTS labelled Nudie Jeans garments will be part of the Spring 2025 collection. During this year, more of our suppliers have become GOTS certified, as well as Nudie Jeans' distributers, creating a fully certified supply chain.

Certified by CU 1002045

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.	Map general Living Wage Gap for prioritized suppliers.	Living Wage payment to reach 100% of our prioritized suppliers where a gap is detected by 2030.
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.
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 this chapter are illustrated by the importance of the goal, where the main SDGs are displayed in a larger size and the associated SDGs are smaller, based on the significance for Nudie Jeans' impact

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 mitigating negative environmental impacts caused by production.

Our responsibilities include selecting suppliers and subsuppliers, 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 and is now an integrated part of the purchasing process at our Indian suppliers and one of our Turkish suppliers[8] but we — and the industry – still have a long way to go.

We facilitate and support trainings that contributes 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 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 CO_2 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.

8. Armstrong Knitting Mills, Dibella, Prakash Impex and Mergü.

Our main partnerships within this field:
- Fair Wear Foundation
- Reseach Institute of Sweden
- Sag Salim
- Scandinavian Textile Initiative for Climate Action (STICA)
- 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 Practice[9]. Our main suppliers are situated in Portugal, Italy, Tunisia, Türkiye, India, Lithuania, Latvia, Poland and Sweden. In 2024 we visited 80% of our suppliers. FWF performs an biannual Brand Performance Check on all its members. Nudie Jeans was ranked Leader in the check for 2024. The full report is available on our website.

Ranking in FWF Brand Performance Check	2024	2023
Brand Performance Check Category.	Leader	Good
% of our main suppliers visited during the year.	80	75
Number of complaints received.	1	0
% of suppliers participating in Workers Training Programs.	9	17

9. → 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 (UNGP). 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 2024, one audit showed indications of excessive overtime. The overtime was connected to security personnel by the factory gate. The supplier was unaware of the overtime as the security personnel was hired through a third-party agency. The issue has been resolved. 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. 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 communication 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 2024, we initiated four assessments. Three in Italy and one in Tunisia. In addition, we followed up an assessment made in 2021 with an additional validation assessment to confirm remediations. The assessments were performed by Fair Wear Foundation and The Reassurance Network. During the year, we followed up non-compliances from previous years as well as external assessment reports.

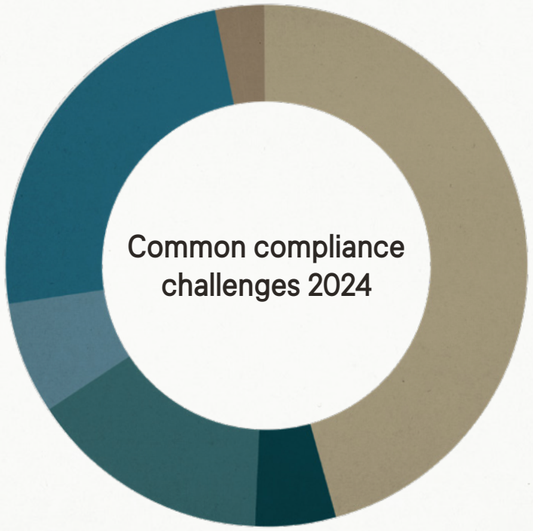
Summarized non-compliance findings from 2024 and 2023 assessments are explained below. The categories are from FWF's assessment method.

1. Factory communication

Factory communication is an additional category where the suppliers are assessed. The category is connected to communication and opportunities given to the workers by the factory management. This is to create training or raising awareness of policies put in place, awareness of grievance mechanisms or training to worker representatives. Many of these findings are solved by a training funded by the sourcing brands, all suppliers will undergo trainings in 2025.

2. Safe and healthy working 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 occupational health system and a trained responsible person in every facility. In 2025 we co-financed 584 anti fatigue mats to be installed at a supplier in India.



- Factory communication 46%
- No discrimination 5%
- Payment of living wage 15%
- Reasonable hours of work 7%
- Safe and healthy working conditions 24%
- Legally binding employment relationship 3%

3. 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. Although Nudie Jeans pay its share of living wage the whole gap is not covered. The other common topic 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.

Although auditing is one of the processes that can improve conditions at the factory level, we also see the need for employee 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 2024

Factory	Production country	Product group	Process	Audit company	Training	Training Organization
Le Group	Italy	Jeans	Garment laundry	The Reassuance Network		
Jeanious	Italy	Jeans	CMT	The Reassuance Network		
S.T.M Srl	Italy	Jeans	Printing	The Reassuance Network		
L´Orient Broderie	Tunisia	Jeans	Embroidery	Fair Wear Foundation		
Mergü	Türkiye	Shirts and woven accessories	CMT	Fair Wear Foundation		
Fares	Tunisia	Pants, denim shirts and jackets	Stitching		Supplier Onboarding Training	Fair Wear Foundation

Female Supervisors from Sustainable Crafted Clothing

Nudie Jeans had the chance to speak to three of the participants in the supervisor training designed by Sustainable Crafted Clothing Management during our visit in 2024. Nudie Jeans supported a training on soft skills executed by Good Business Lab in 2023. In the summaries Manimegalai, Thatchiny and Pravitha shares some insights:

Dhackshayini

Dhackshayini joined a supervisor program to improve her communication and team skills. She learned that understanding herself was key to leading others. Applying these skills at work and home as well as good planning, she resolved misunderstandings in daily family planning. She encourages other women to aim for leadership roles, Dhackshayini future goals are to become an industrial engineer. For two years, she has received a living wage bonus, which she uses for her children's education and health needs. Her journey highlights the power of self-improvement and effective communication.

Manimegalai

What motivated her to enter the training was to advance in her career and the interest in teaching others. After the training, she was first promoted to assistant supervisor and now she works as a full-time supervisor and is currently handling two production lines. She says the training and work boosts her confidence and aspires now towards becoming a production manager. Manimegalai

> **Dhackshayini joined a supervisor program to improve her communication and team skills.**

has inspired and motivated other tailors in the factory to pursue higher levels of work. It's the fifth year of her receiving the living wage bonus, and she mainly spends it on personal expenses and medical needs.

Pavithra

The meeting took place in Pavithras home, 10 minutes from the factory. She lives with her husband and her parents in a newly built house. She openly shared that her husband is struggling with diabetes and medication ineffectiveness which require

> **Manimegalai has inspired and motivated other tailors in the factory to pursue higher levels of work.**

a lot of care and assistance. Her two daughters' studies at a boarding school. Pavithra started at SCC two years ago for the opportunity that it was closer to home.

The opportunities at SCC have made her confident and self-motivated, so it was natural to enter the training. Her main takeaway and learning from the training have been stress management, handling pressure and enhance communication skills. She says that sometimes efficiency can be low due to stress and pressure but increasing

> **Pavithra aims to take on more responsibilities within the company and manage more lines.**

communication and asking about their mood to make the workers understand themselves, the levels of pressure and stress often reduces.

Pavithra aims to take on more responsibilities within the company and manage more lines. She has received a living wage and bonus, which she used to pay off debts and support her daughter's school peers with small gifts.

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 supplier[10] 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.

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. 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 Chennai[11]. 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 supplier[12] in Tûrkiye, where the joint efforts of the brands enables a significant increase of the wages for the employees. We have initiated Social Dialouge Trainings and Fair Price App trainings.

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	IRN	10,752	10,763	12,000	25,125	17,687	39	No	Yes
Italy	EUR	1,137	1,137	1,400	1,600	1545 – 2049	26 – 45	Yes	Yes
Latvia	EUR	620	620	620	No data	653 – 991	5 – 37	No	No
Lithuania	LTL	840	No data	No data	No data	1,062 – 1,308	No data	Yes	No
Poland	PLN	4,300	4,362	4,937	10,150	4,330 – 5,310	(+) 1 – 7	Yes	Yes
Portugal	EUR	820	820	825	900	908 – 1,330	10 – 38	Yes	Yes
Tunisia	TND	492	643	808	1,150	850	24	Yes	Yes
Türkiye	TRY	17,002	17,002	20,000	37,500	33,276	49	No	Yes

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 2024 indications.

Note 5 The living wage bennchmark has been retrived 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)

10. Armstrong knitting mills, Tirupur.
11. Sustainably Crafted Clothing in Bangalore and Krishnagiri, spinning, knitting and processing units in Armstrong, Tirupur and Prakash Impex in Chennai.
12. Mergü.

Nudie Jeans living wages projects

When we started to pay living wages	From 2013	From 2016	From 2024	From 2021 (SP22 collection)
Producer	Armstrong Sewing units I and II	Sustainable Crafted Clothing	Prakash Impex	Mergu
Country	India	India	India	Türkiye
When did we start to work with the supplier?	2011	2015	2024	2014
Nudie Jeans share of production at supplier in % and number of styles	0,2 %, 11 styles in 2024	2,5 %, 24 styles in 2024	9 %, 8 styles in 2024	3 %, 10 styles in 2024
Women working in the factory in %	64 %	87 %	25 %	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	€6,24 / garment	€ 0,6-2,74 / garment
Parties that were involed in setting up the program?	Br, Su, St, Ees	Br, Su, Ees	Br, Su, Ees	Br, Su, St, Ees
Was there a collective bargain agreement in place?	No	No	No	No
Who was involved in deciding how the value was distributed?	Br, Su, St, Ees	Br, Su, St, Ees	Br, Su, St, Ees	Br, Su, St, Ees
How is the money distributed to the workers?	LW bonus on payslip	LW bonus on payslip	LW bonus on payslip	LW bonus on payslip
What is the gap between living wage benchmark and lowest wage?	€ 80 / month	€ 53 / month	€ 77 / month	€ 432 / month
How many of the workers recieves our share of living wages ?	100 %, 2,500 employees	100 %, 687 employees	100 %, 80 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 0,2% – 9% 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.

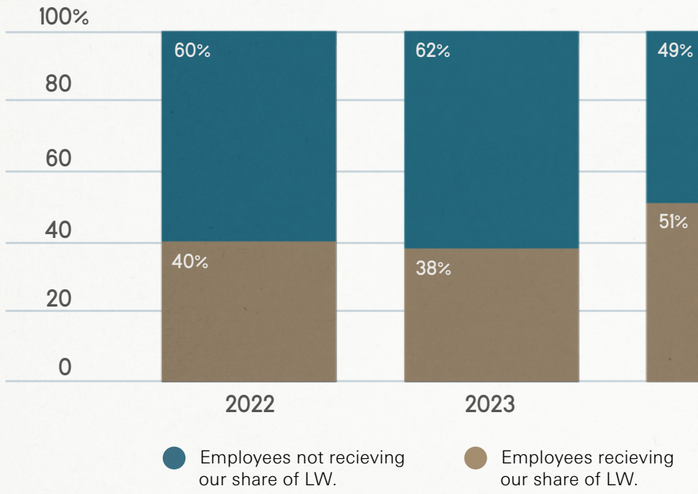
Degrees of party involvements

- Br = Brand
- Su = Supplier
- St = Stakeholder
- Ees = Employees

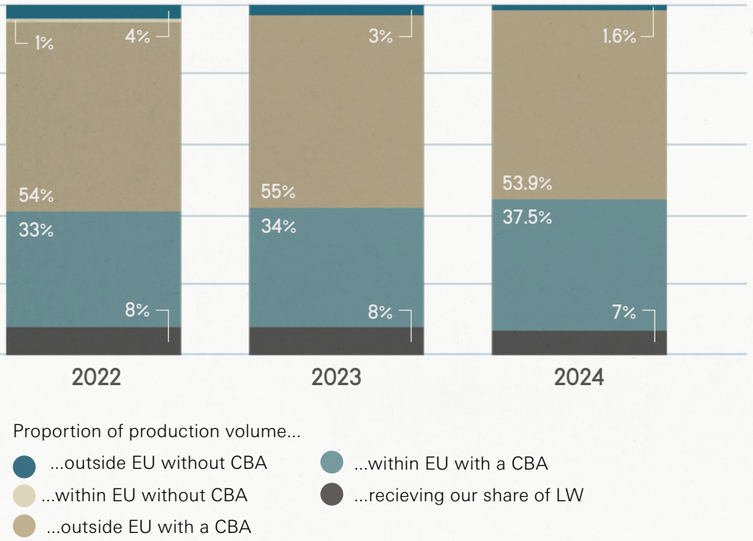
The amount of employees receiving our share of living wages has increased during 2024 due to growing staff at suppliers with ongoing living wage programs. However the share of our total production volume is stable. However, it is notable that the workers who are not part of our living wage program are located within the EU and/or have collective bargaining agreements and functional union representation in the factories.

In 2024, 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.

Employees receiving our share of living wages[13]



Production volume covered by Collective Bargaining Agreement (CBA) or our share of living wages



13. 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.

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.

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 or when volumes increases. Consideration for aspects related to sustainability, such as certification costs, labor wage costs, our share of living wages, and Fairtrade premiums are also an important component for our buyers to consider in discussion with suppliers.

Suppliers Evaluation of Nudie Jeans

In 2024, 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 the year. 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 100% (11/11) 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.

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

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 app[14] to some extent or have been given training. For 2024, we have received open costings from 75% of our suppliers where we have an active living wage program.

14. → fair-price.org

Category	Rating 2023	Rating 2024
General Business	99%	99%
Purchasing practices	90%	92%
Sustainability practices	95%	98%
Financial practices	92%	99%
Supply chain practices	96%	98%

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 communication and capacity building channel, through the service provider Precision Solution Group and IN2.

Activities around the Sağ Salim project reached 3,483,355 people in 2024, with engagement from 341,983. This resulted in a decrease of 52% in reach and 7% in engagement since last year. The decrease is mainly due to the program only being active until September.

Highlights are still the level of engagement and wide collection of information. We believe the program has increased awareness levels, community and indirect contributed to 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 2024 are: Legal status, work permits and wages. Refugees remain a vulnerable group where reports regarding lack of worker permits and discrimination.

Incoming reports from the planting and harvesting season of cotton in the Izmir area were very few and the incoming report during 2024 related more to other industries. From the previous year, reports concerned low wages, delayed payments and poor living conditions. Other issues raised have been 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.

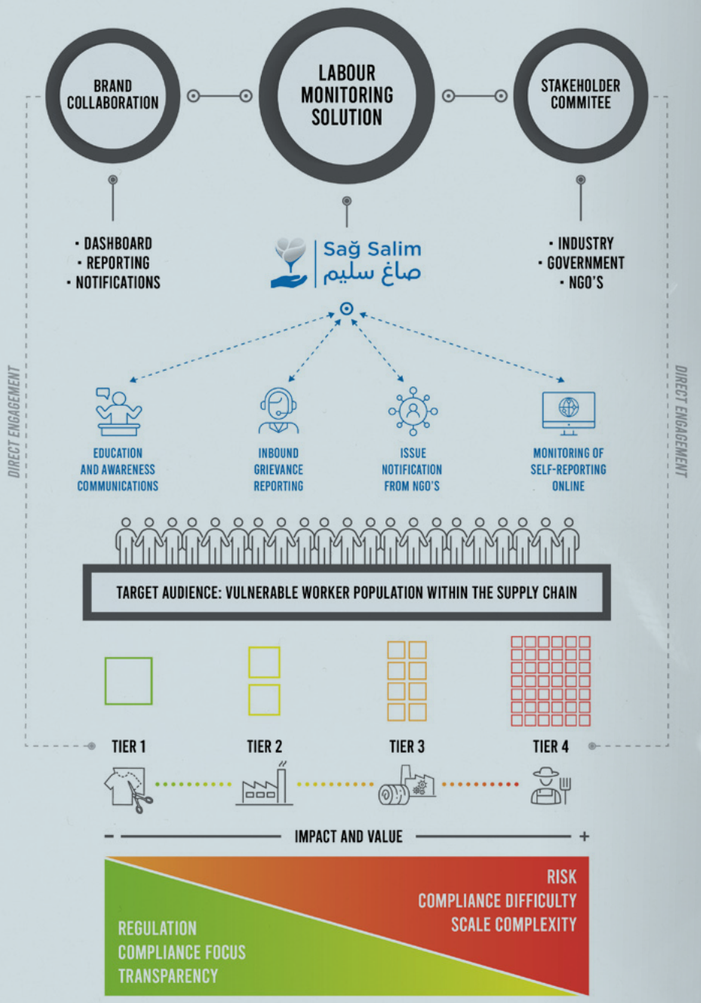
In the beginning of August, the campaign produced an awareness campaign. The first post encouraged followers to prioritize their health by regularly visiting the doctor and conducting medical tests, highlighting the importance of early detection of chronic diseases, mental health, oral hygiene, and common cancers. The message underscored the importance of not ignoring even mild illnesses, as early intervention can prevent complications. Women's health issues were also highlighted, cancer awareness, as workers in the cotton and ginning sectors are at an increased risk of cancer, with responses seeking more information on the disease and where to seek treatment.

To monitor the situation at the fields Nudie Jeans supplier source from, we collaborated with our fabric supplier to initiate 3 social audits at farm level. In 2024, 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.

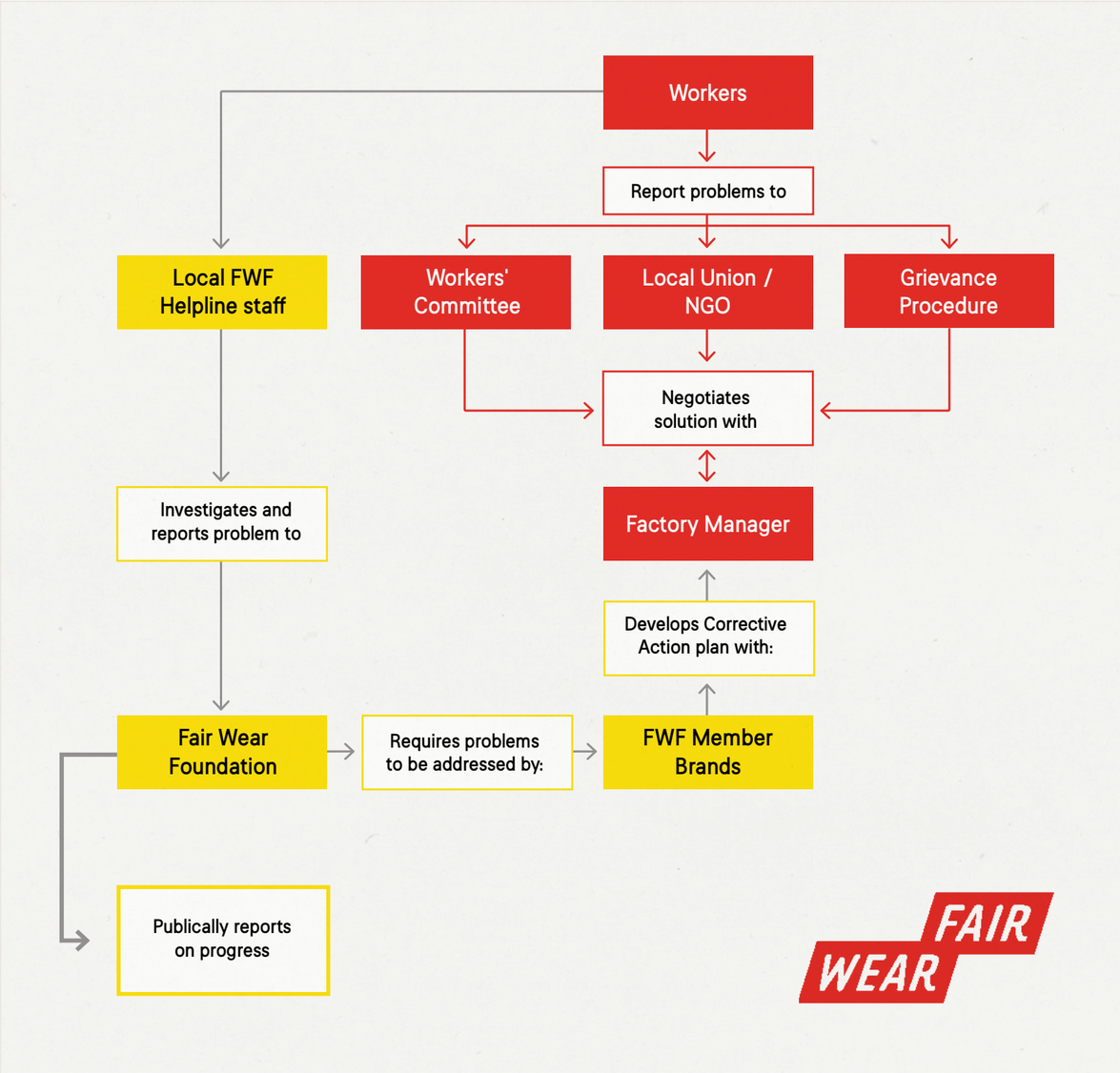


Sağ Salim framework developed by Precision Solutions Group and Outland Denim.

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 2024, one complaint was received. The complaint has been resolved. Reports from the complaint are publicly available on FWF website as well as in our Social report.

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 suppliers. 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 26 sewing and making suppliers, and 16 subcontractors for laundry, printing, and embroidery. In addition, we have about 43 suppliers involved in the fabric and material process, 21 trims suppliers and 21 raw material suppliers.

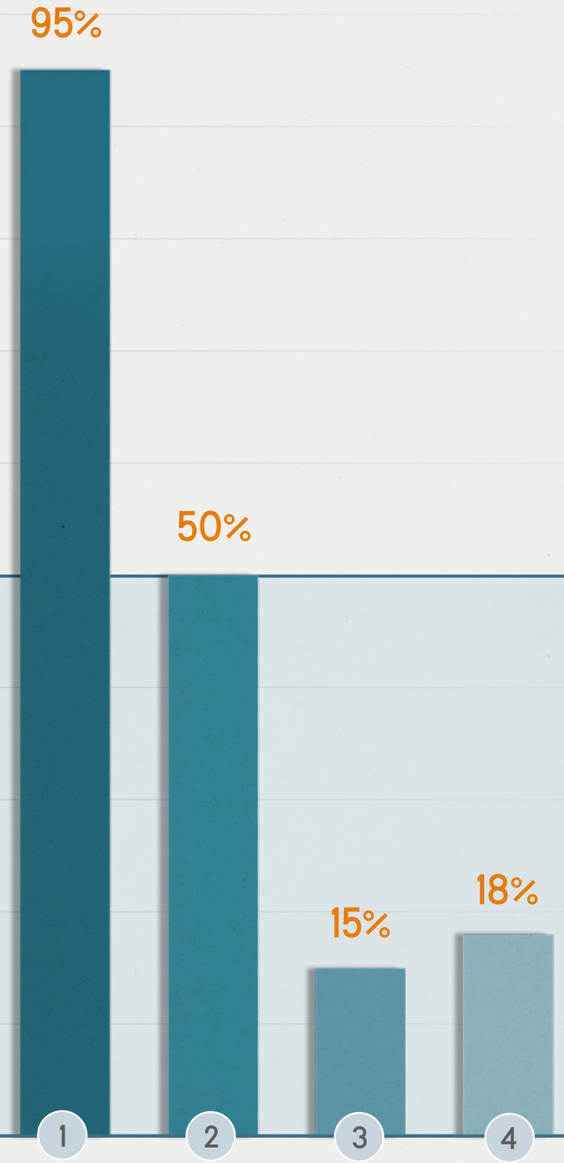
In 2024, we continued to add our suppliers which we have an established relationship and/or that have been visited to the Open Supply Hub.

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.

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 95% of the suppliers in Tier 1, 50% in Tier 2, 15% in Tier 3, 18% in Tier 4. In total, we have visited 54% 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.

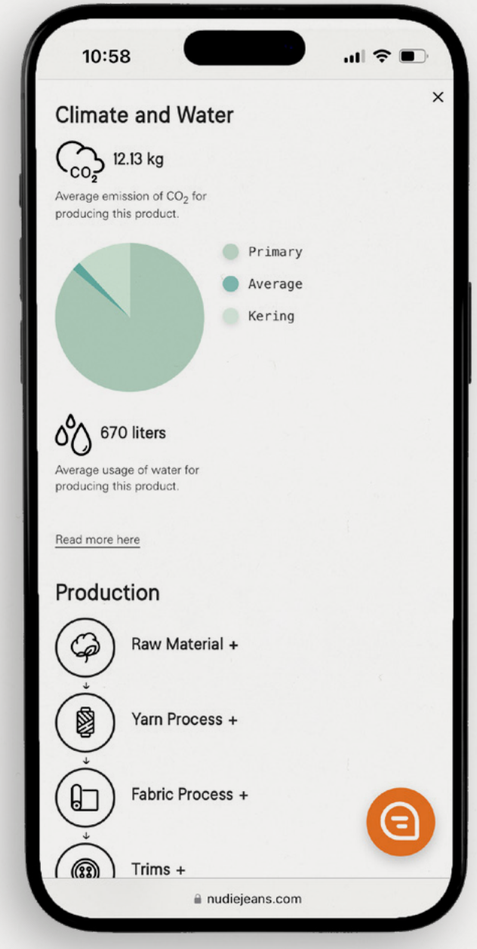


Visited suppliers in the supply chain tiers

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.

Our consolidated supply chain and rigid sourcing strategy have made it possible to keep traceability efforts high. We have since 2013 been able to share information to customers on product level. Today, customers can trace the products path from raw material to warehouse and see if the units have been visited by Nudie Jeans. We also share information on CO_2 data and water data per product. We hope our transparency efforts leads to educating the consumer of the impact of each garment.

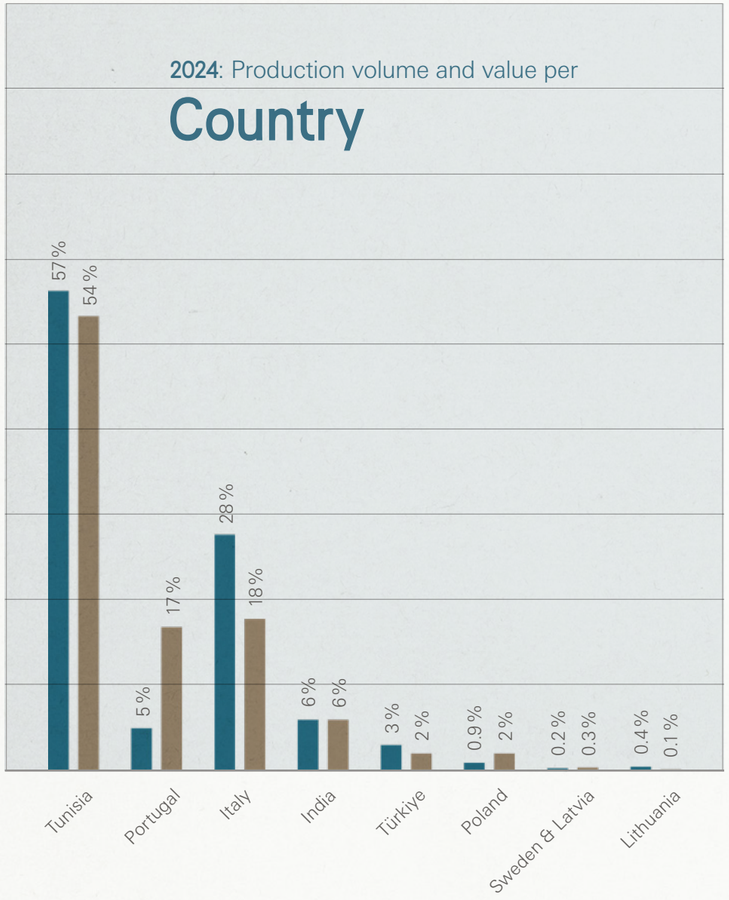


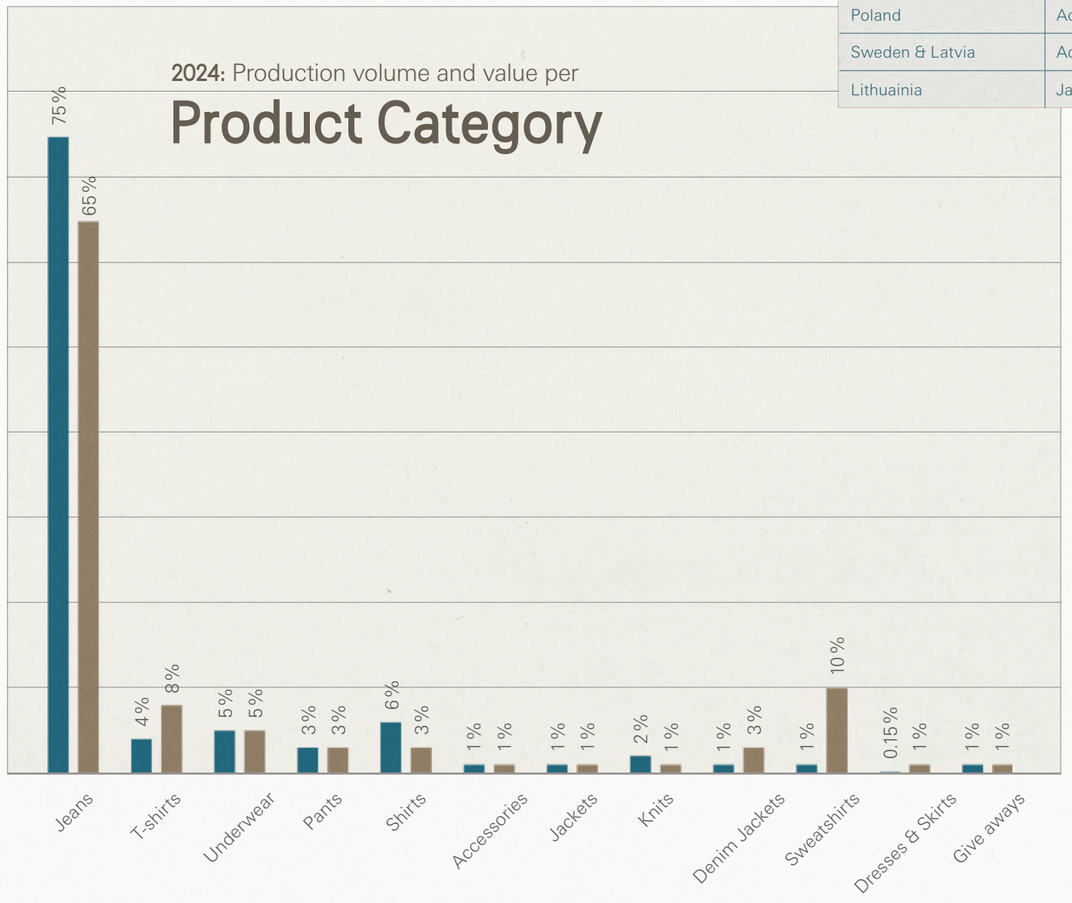
Production countries

As denim is the core product of Nudie Jeans, our largest share of volume is placed at our production partners Denim Authority and C&S in Tunisia and Italy. These suppliers are visited several times a year both from production developers, designers and sustainability department from Nudie Jeans HQ but most present is our Italian/Tunisian Nudie team that works within the production daily.

The other product groups are smaller in comparison; however, sustainability work is still as important, and visits are made at least once a year.

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 & Latvia	Accessories
Lithuainia	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 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.

> **“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.**

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.

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.

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. In 2024, they expanded their water treatment plant with new technology that enables them to reuse water from the laundry processes back into production again. Believing strongly in supporting our suppliers to reduce their resource use, we co-financed the water treatment plant, covering 50% of the cost.

In Türkiye, where the majority of our organic cotton is grown, it is more challenging to take concrete actions to reduce water use. However, by exclusively using organic cotton, which can have higher water-use efficiency compared to conventional cotton farming, we hope to support development in the right direction.

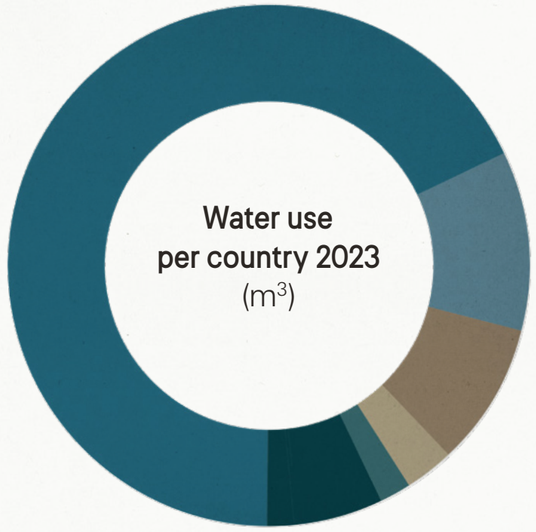
For Nudie Jeans, it is important to apply this understanding of the different needs and possibilities of water handling, to be able to best engage and discuss water use with our suppliers. We must constantly work to decrease water consumption in our full supply chain, but above all, our focus must be 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 2023. 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 changes in water factors in 2022, we can only compare the results of 2023 with those of 2022. Over this period, we observed a total decrease of 3%. The primary reason for this decline is related to variations in production volumes among different suppliers.

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



- **Türkiye** 176,952 | 68%
- **Tunisia** 28,652 | 11%
- **India** 24,363 | 9%
- **Italy** 8,093 | 3%
- **Uganda** 6,954 | less than 3%
- **Others** 17,065 | 7%

Emission and water data

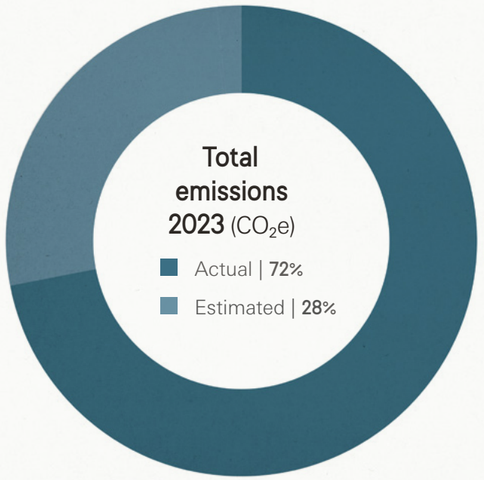
All emissions and water data shown in this report are for the full year of 2023.

Climate

Nudie Jeans follows the Greenhouse Gas Protocol methodology in our yearly emission calculations[15]. 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. 2024 was the sixth consecutive year we mapped the full emissions of our business (covering the emissions for 2023), and we measured our progress against our base year 2018. We have continued our engagement in the Scandinavian Textile Initiative for Climate Action (STICA), which is an important initiative for learning, benchmarking, and developing climate work in the Scandinavian 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. 72% of our total emissions are based on actual data from our shops, offices, suppliers, and carriers for the full year of 2023. Estimated data accounts for 28% 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 2023. We have prioritized secondary data as shown:



1. Reported data from the specific supplier from the previous year(s) but recalculated based on the production volumes for the entire year of 2023.
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 2023 is presented in the chart on the next page.

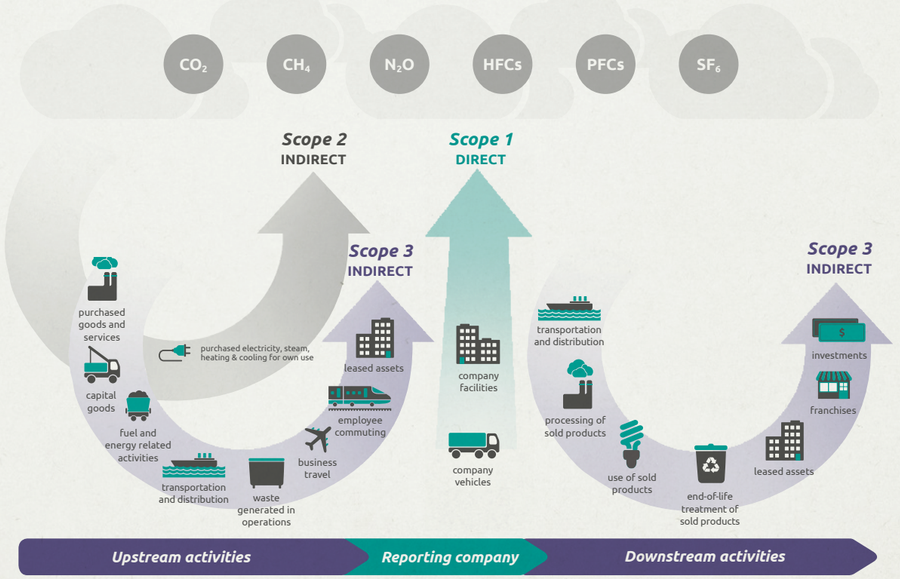
15. → Greenhouse Gas Protocol

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

Scope 1
Nudie Jeans direct CO_2 emissions.

Scope 2
Nudie Jeans electricity use and other indirect CO_2 emissions.

Scope 3
Nudie Jeans full supply chain, transports and other indirect CO_2 emissions.



Nudie Jeans' Climate Commitment

Nudie Jeans is a member of the Scandinavian 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.

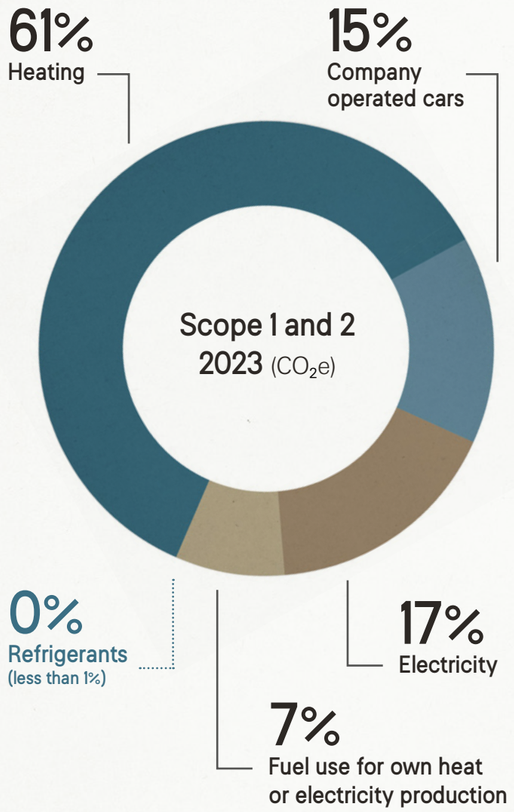
Nudie Jeans climate impact 2023
(CO_2e)

Emissions category	Scope 1 (ton CO_2e)	Scope 2 (ton CO_2e)	Scope 3 (ton CO_2e)	Total emissions (ton CO_2e)	Share of total (%)
Business travel	**15**	**5**	**235**	**254**	**3.3%**
Company operated cars	15	5	5	25	0.3%
Flights	—	—	218	218	2.8%
Hotel nights	—	—	11	11	0.1%
Other travel	—	—	0.1	0.1	0.00%
Energy use within own operations	**10**	**103**	**23**	**137**	**1.8%**
Electricity consumption	—	22	7	28	0.4%
Heating	—	81	14	96	1.2%
Cooling	—	—	—	—	—
Fuel use for own heat or electricity production	10	—	2.3	13	0.2%
Refrigerant leakage	**0.2**	**—**	**—**	**0.2**	**0.002%**
Purchased goods and services	**—**	**—**	**4,086**	**4,086**	**53%**
Production*	—	—	3,989	3,989	51%
Transports in production	—	—	8.8	8.8	0.1%
Packaging material	—	—	88	88	1.1%
Transport and distribution	**—**	**—**	**2,410**	**2,410**	**31%**
Air freight	—	—	2,277	2,277	29%
Road freight	—	—	118	118	1.5%
Sea freight	—	—	13.4	13.4	0.2%
Rail freight	—	—	2.1	2.1	0.03%
User-phase	**—**	**—**	**880**	**880**	**11%**
Energy use	—	—	508	508	6.5%
Transports	—	—	372	372	4.8%
TOTAL	**26**	**108**	**7,634**	**7,768**	**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

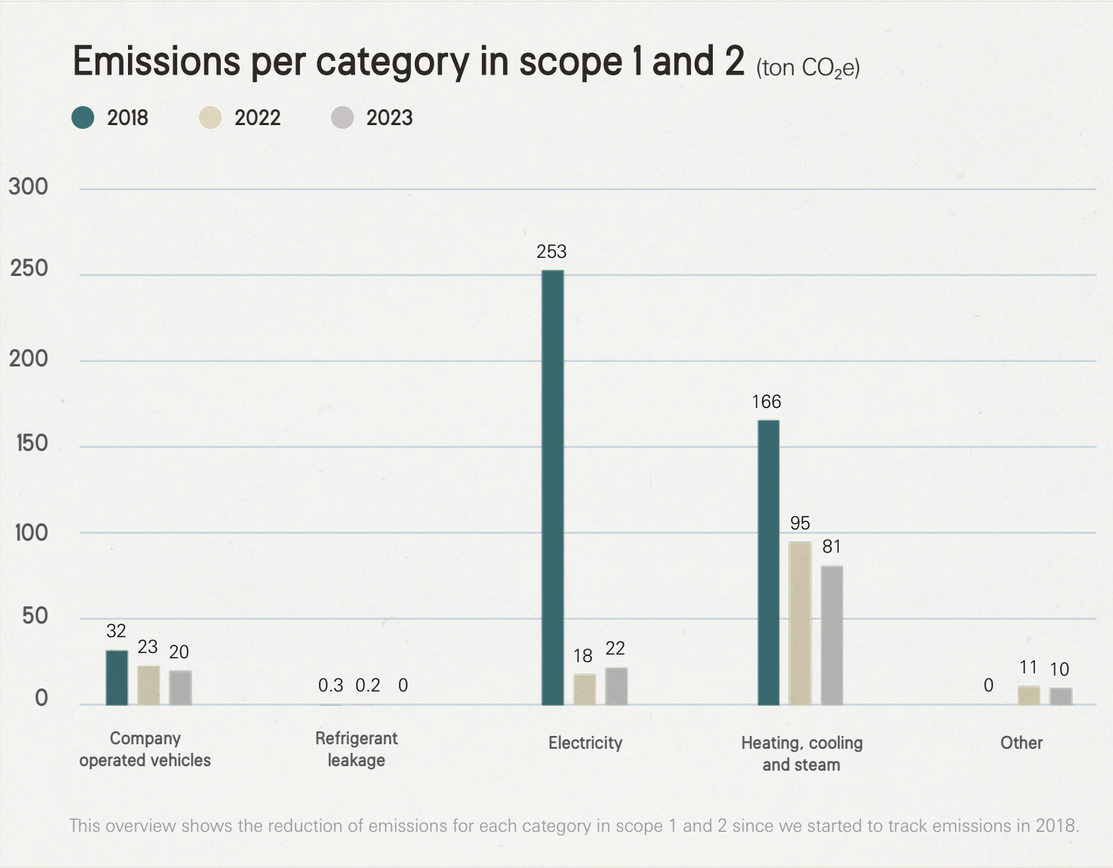
According to the Greenhouse Gas Protocol, direct emissions from company-operated cars, direct heating and refrigerant leakage in Nudie Jeans' facilities are included in scope 1, while electricity for heating, cooling and general electricity consumption is included in scope 2. Emissions in scope 1 and 2 stands for less than 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 2023, our electricity from renewable energy sources amounts to 403,854 kWh, which stands for 89% of all electricity used, and 38% 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 71% decrease in emissions in scope 1 and 2 since the base year 2018.

The decrease of emissions in the heating, cooling and steam category between 2018 and 2022 was partly due to a change in methodology, where we in 2021 and forward started to report heating from electricity, under electricty and not heating. This does not affect the overall result, only changing which category the emission is reported under. In 2023, 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 71% compared to our base year 2018.**



This overview shows the reduction of emissions for each category in scope 1 and 2 since we started to track emissions in 2018.

Scope 3

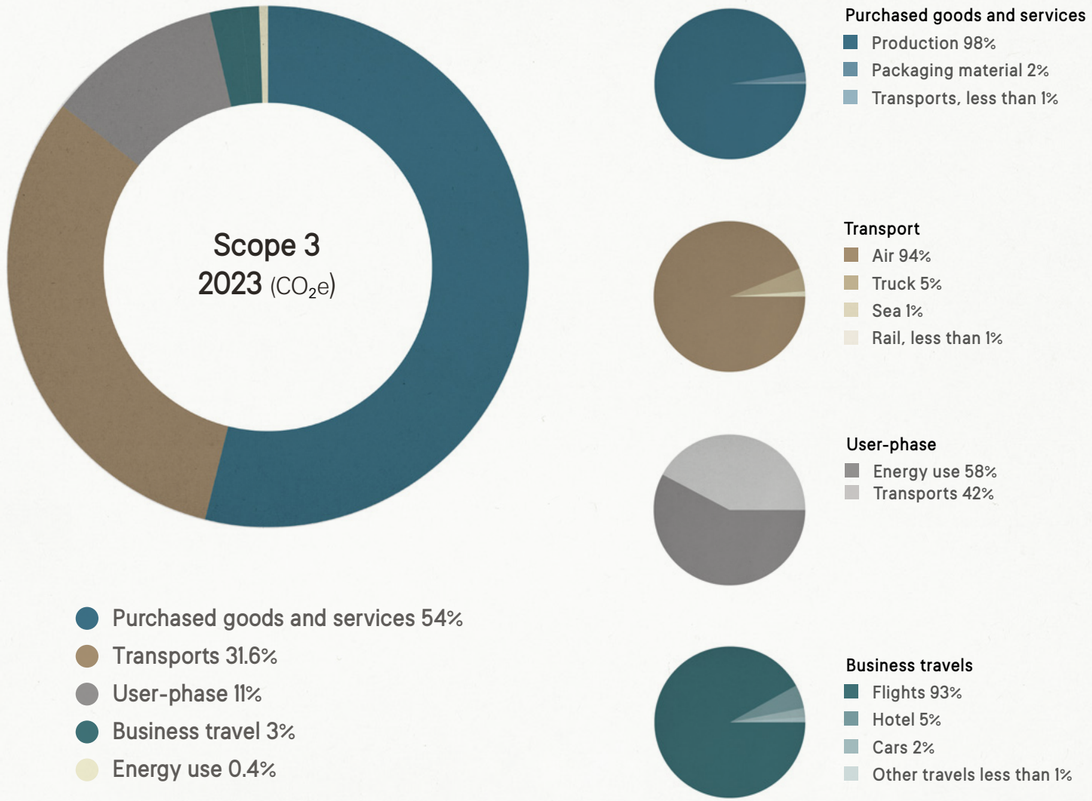
In 2024, for the sixth year in a row, we continued to map all of our scope 3 emissions, indirect and direct emissions from upstream and downstream activities in the supply chain, assisted by the climate consultants at 2050 Consulting AB. Total emissions from scope 3 (incl User Phase) in 2023 show a decrease of 19% 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 33% compared to the base year 2018, and 6% compared to 2022. 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.

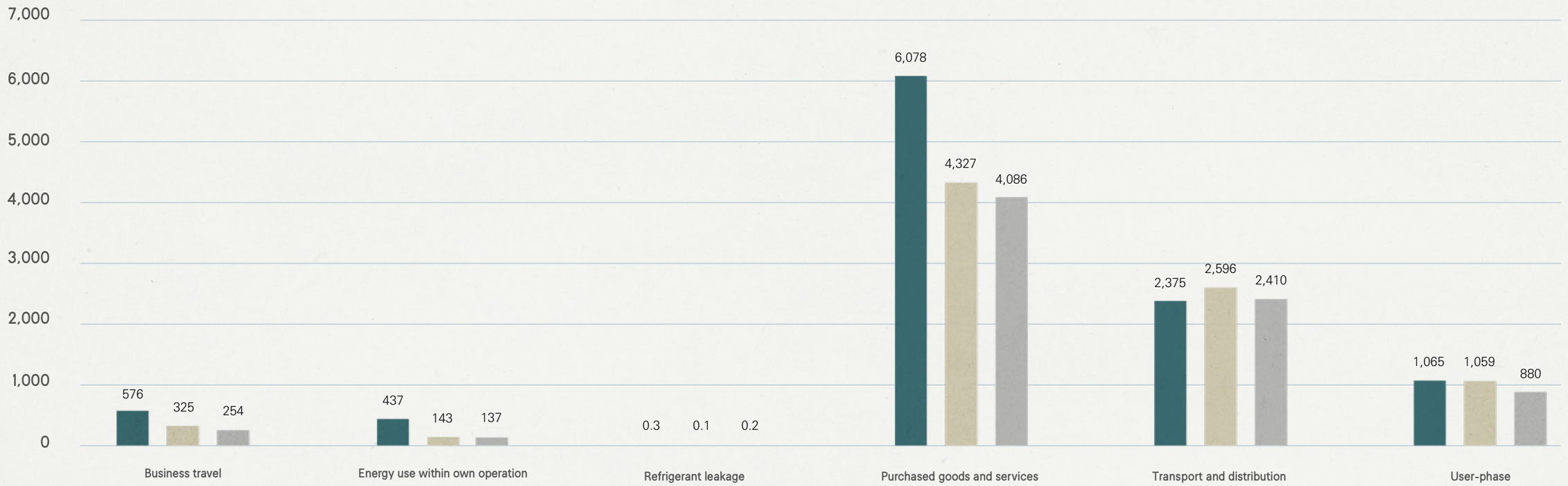
Emissions connected to the "Transport and distribution" category increased, by 1% since 2018, and decreased by 7% since 2022. The emission per tonne-kilometer has decreased since last year, from 0.84 kg CO_2e/tonkm in 2022 to 0.73 kg CO_2e/tonkm in 2023 and as a majority, around 99%, of the emissions from transports, come from the carriers' own calculation. Unfortunately, we have seen an increase in the use of air freight compared to 2018. But, actions taken in 2023 have led to a decrease in the volumes transported by air compared to 2022. Reducing the use of air freight is crucial in our efforts to lower Nudie Jeans' total emissions. It is worth noting that we have received more detailed data from some carriers since 2021, which has made it difficult to compare the exact data over time. A decrease in the "User Phase" category with 17% compared to our base year 2018 is also seen 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 2024, 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 though solar cells and/or wind power.



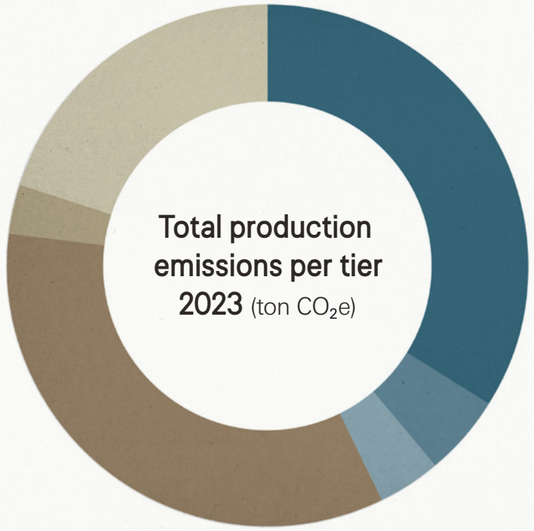
Emissions per category in scope 3 (ton CO_2e)



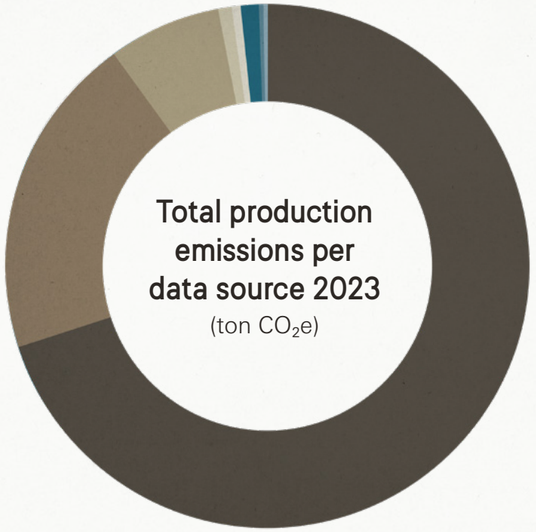
> The most important work we can do is to support our suppliers in their transition to working with renewable energy.

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 encompasses all emissions from the supply chain, including those from transportation between suppliers, and emissions from the production of packaging materials used. Together it creates 53% of Nudie Jeans total emissions. The most energy intensive processes in our supply chain are fabric production, dyeing and laundry. The fabric suppliers, also called tier 2 and 3 suppliers, stand for the largest share of emissions in the supply chain, while laundries and our tier 1 suppliers (including our vertical tier 1 supplier with an inhouse laundry) stands for the second largest shares of emissions in this category. 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.



- **34%** (1,381) | Tier 1
- **5%** (203) | Laundry
- **4%** (179) | Tier 2
- **34%** (1,374) | Vertical tier 2 & 3
- **3%** (123) | Tier 3
- **20%** (793) | Tier 4



- **70%** (2,858) | Reported data for 2023
- **20%** (793) | Textiles, based on Higg MSI
- **7%** (292) | Average values
- **1%** (48) | Trims, based on Higg MSI
- **0.6%** (25) | Packaging and labels not included in reporters' emissions
- **1%** (45) | 2022 values
- **0.3%** (13) | 2021 values
- **Less than 0.1%** (3) | 2018 values

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 CO_2e emissions. Emissions from inbound and outbound transports account for 31% of Nudie Jeans' total emissions.

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 and/or Train 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, Sea or Air to Australia.

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

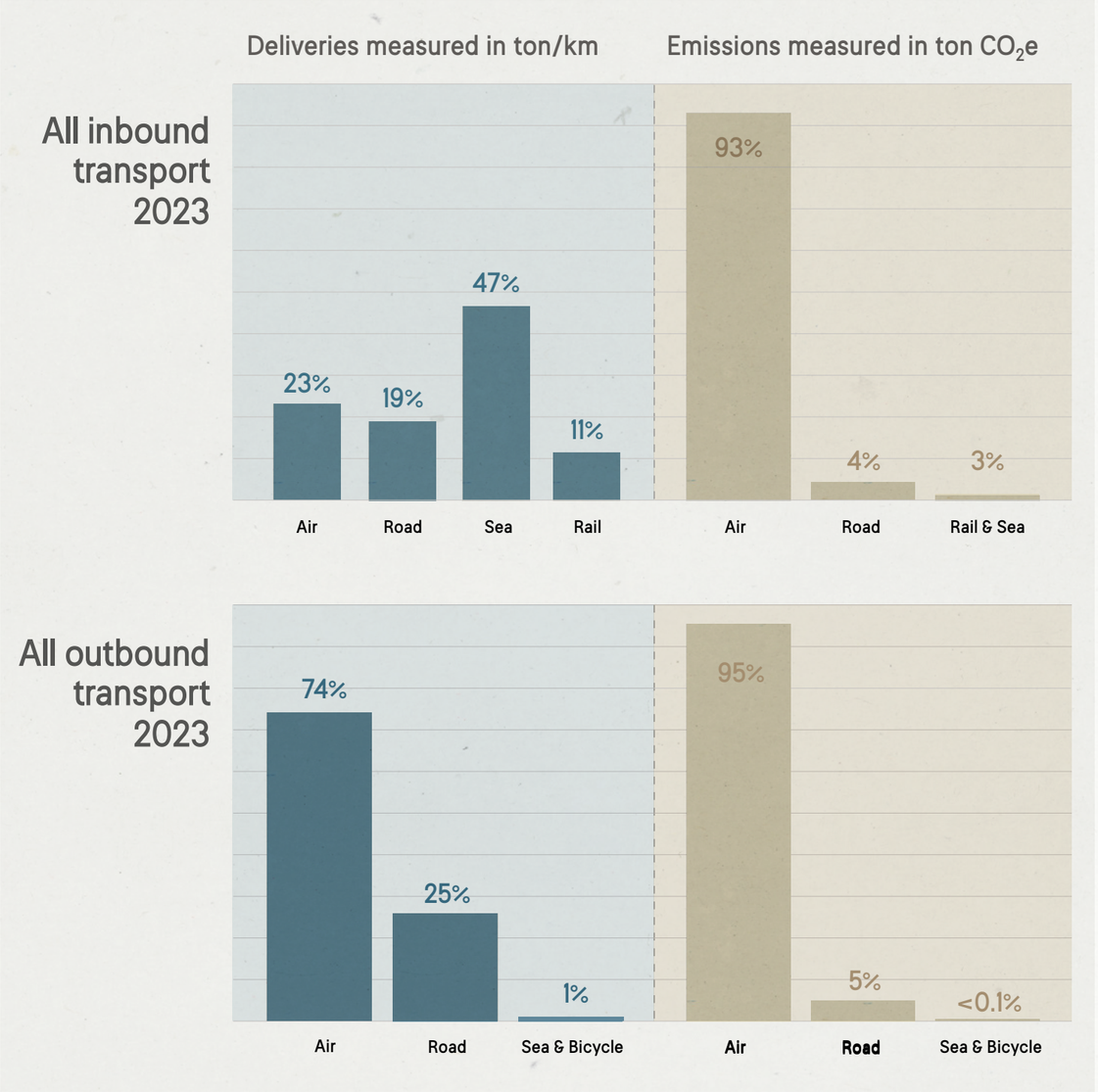
Transport outbound:

- International shipments from Sweden are primarily carried out with UPS (Retail, Wholesale and Online), PostNord (Online), Budbee (Online) and DHL (Wholesale and Online). Special shipments are sometimes made with Alpi and Savino Del Bene (Retail and Wholesale).
- For local domestic shipments in Sweden, we partner with Schenker for both Wholesale and Retail, and Budbee, Instabox and PostNord for Online. Domestic shipments in the UK and the US are done with UPS and in Australia with Startrack, Zoom2U and Fastway.

In the last two years we have 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 have continued 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 2024 and are carried out together with 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.

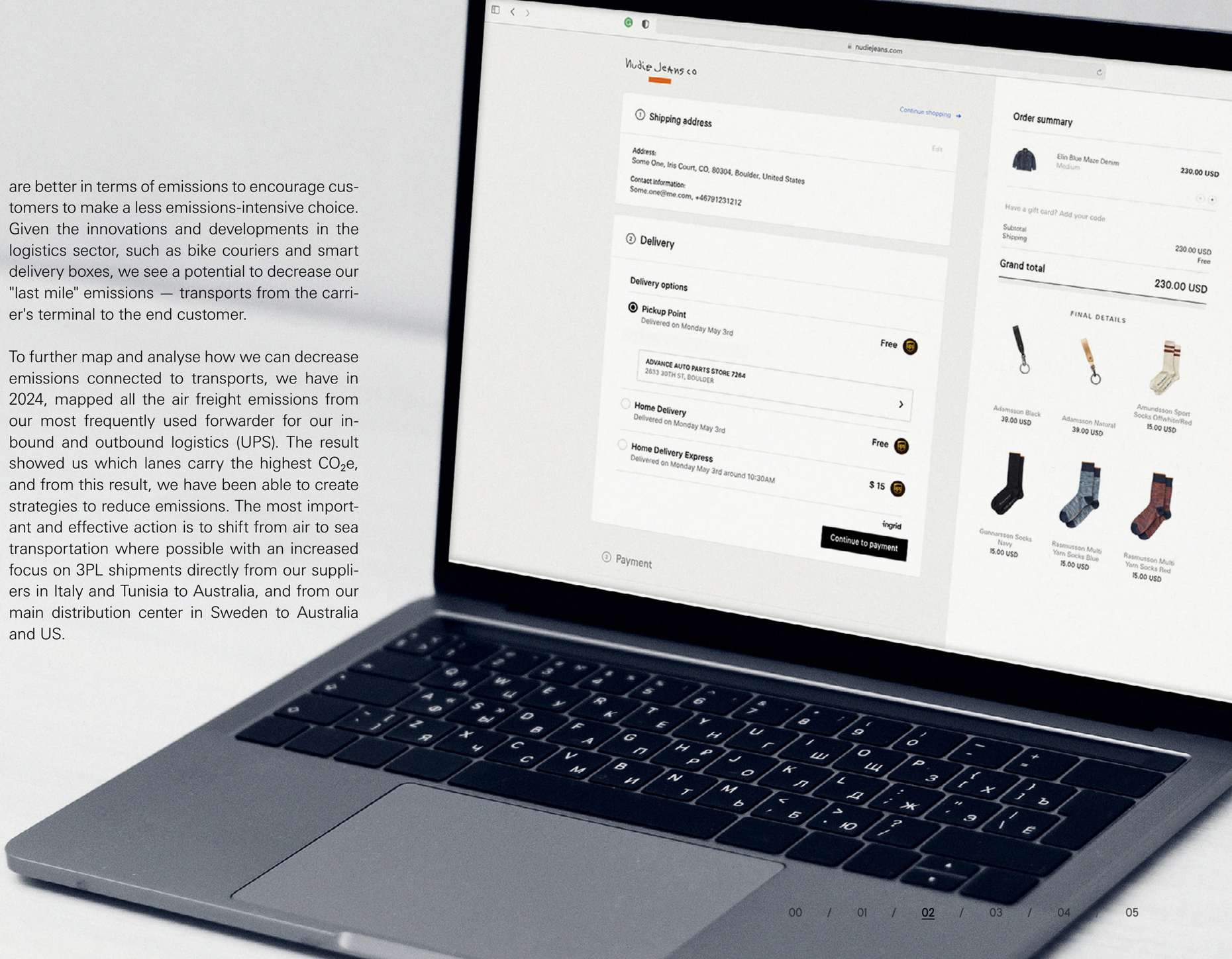


Emissions from air freight are the primary source of our transportation emissions, as seen in the numbers above. We are still largely dependent on air freight as we work with global distribution but centralized fulfillment from our main warehouse in Sweden. It will be increasingly important for us to work with carriers that have active environmental initiatives in order to achieve the necessary reductions to reach our climate targets.

In 2024, 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 2024, 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 CO_2e, 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.



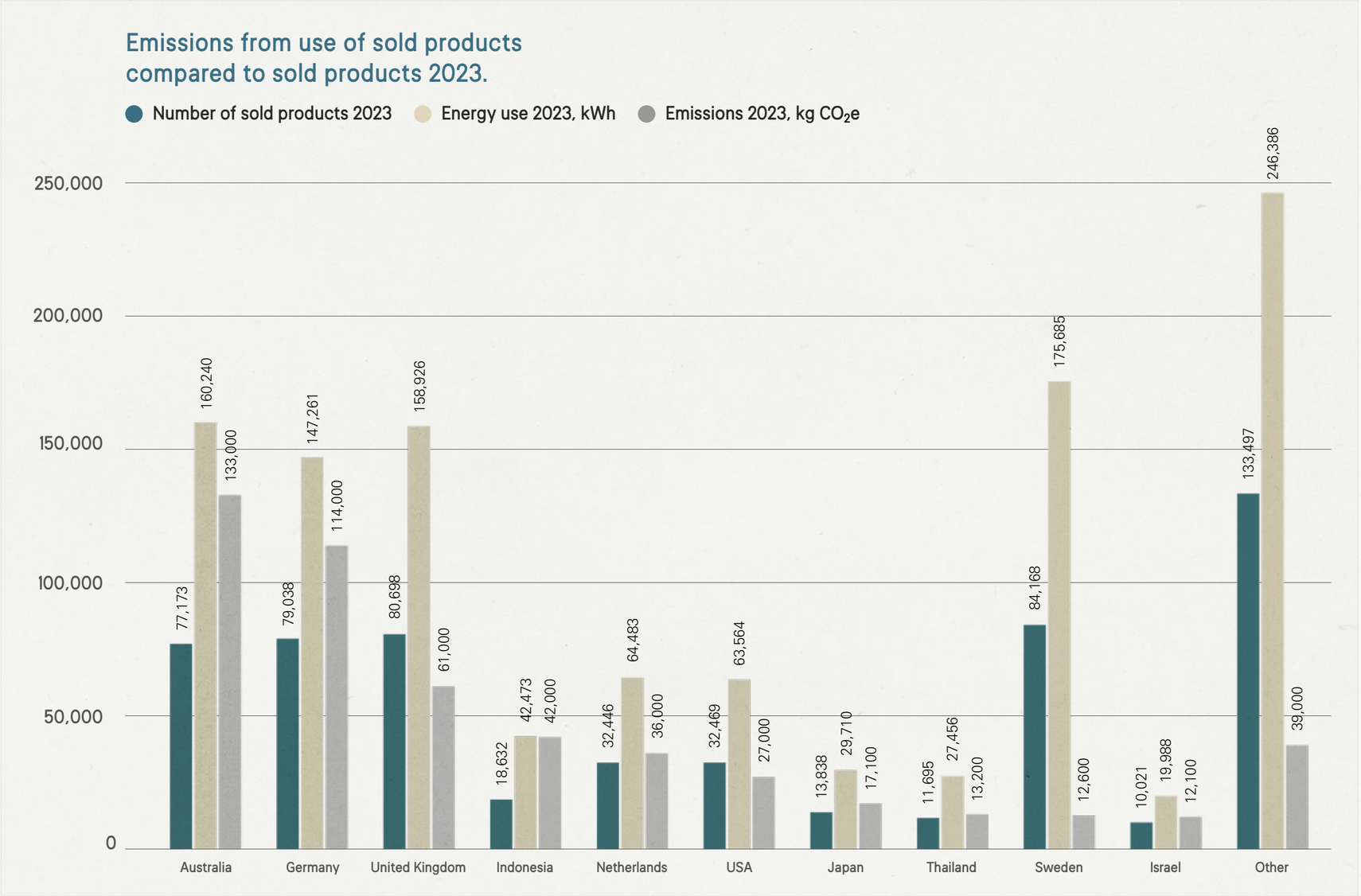
Business travel

Scope 3 also includes our business travel. This emission category includes business trips in 2023 as well as generic emissions for all hotel stays that same year. Emissions from business travel have decreased by 56% compared to the base year 2018. 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 continue to visit our suppliers regularly, as we recognise that some discussions and inspections must be conducted in person. We also consider these visits crucial for building strong relationships with our suppliers, leading to continuous long-term positive effects on product development and sustainability efforts.

User-phase

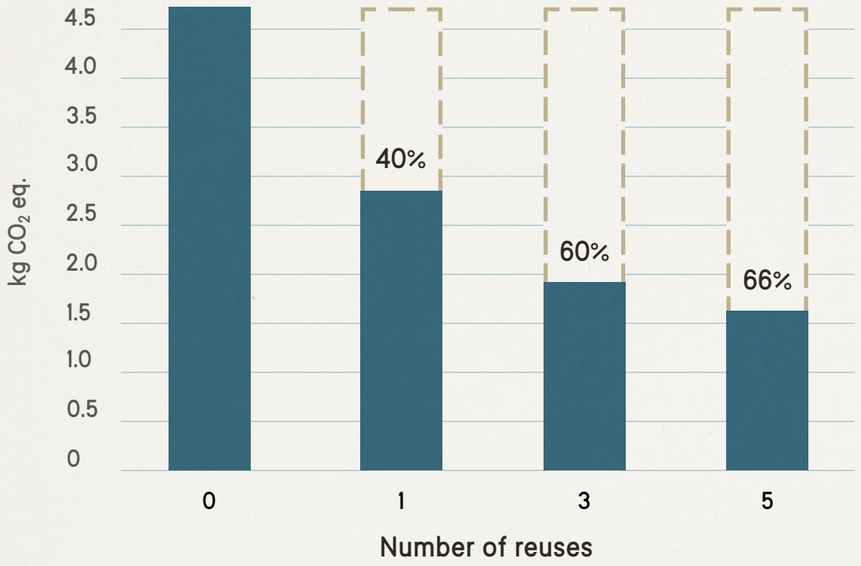
Our total emission mapping also includes emissions generated in the user-phase of our products. The emissions from the user-phase are included in scope 3 and are based on customers' transportation to the shops as well as energy use from washing, drying and in other ways caring for the garments. To calculate 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 2023'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.



This chart shows the decrease in global warming potential between jeans that are never repaired or reused, and jeans that are repaired and reused 1, 3 and 5 times.[15]

15. → A comparative life cycle assessment of Nudie Jeans' repair and reuse concept

Internal carbon fees and 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 six consecutive years and have offset our business' full emissions for four of these years. Two years ago we started to redefine our climate investment strategy with the goal of examining where our investments can make the most impact. In 2024 we decided to no longer work with regular offsetting but instead, with help of an internal carbon fee, support our suppliers and other relevant stakeholders to take concrete actions to decrease resource use. This work started in 2024 with co-financing a new water treatment plant at our largest denim manufacturer Denim Authority to decrease water use through water recycling. The work to support our suppliers in clear actions will continue into the coming years.

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 2023, our CO_2 emissions from UPS deliveries reached 775 tons, whereas 665 tons were covered by their offsetting program.

Our bags and packaging supplier, Avisera, has created its own label for all their bags and packages. 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 2024, the production of our bags and packaging generated 60.1 tons of CO_2 emissions, and to offset them Avisera protected and planted trees in the projects Envira Amazonia Tropical Forest Conservation in Brazil.

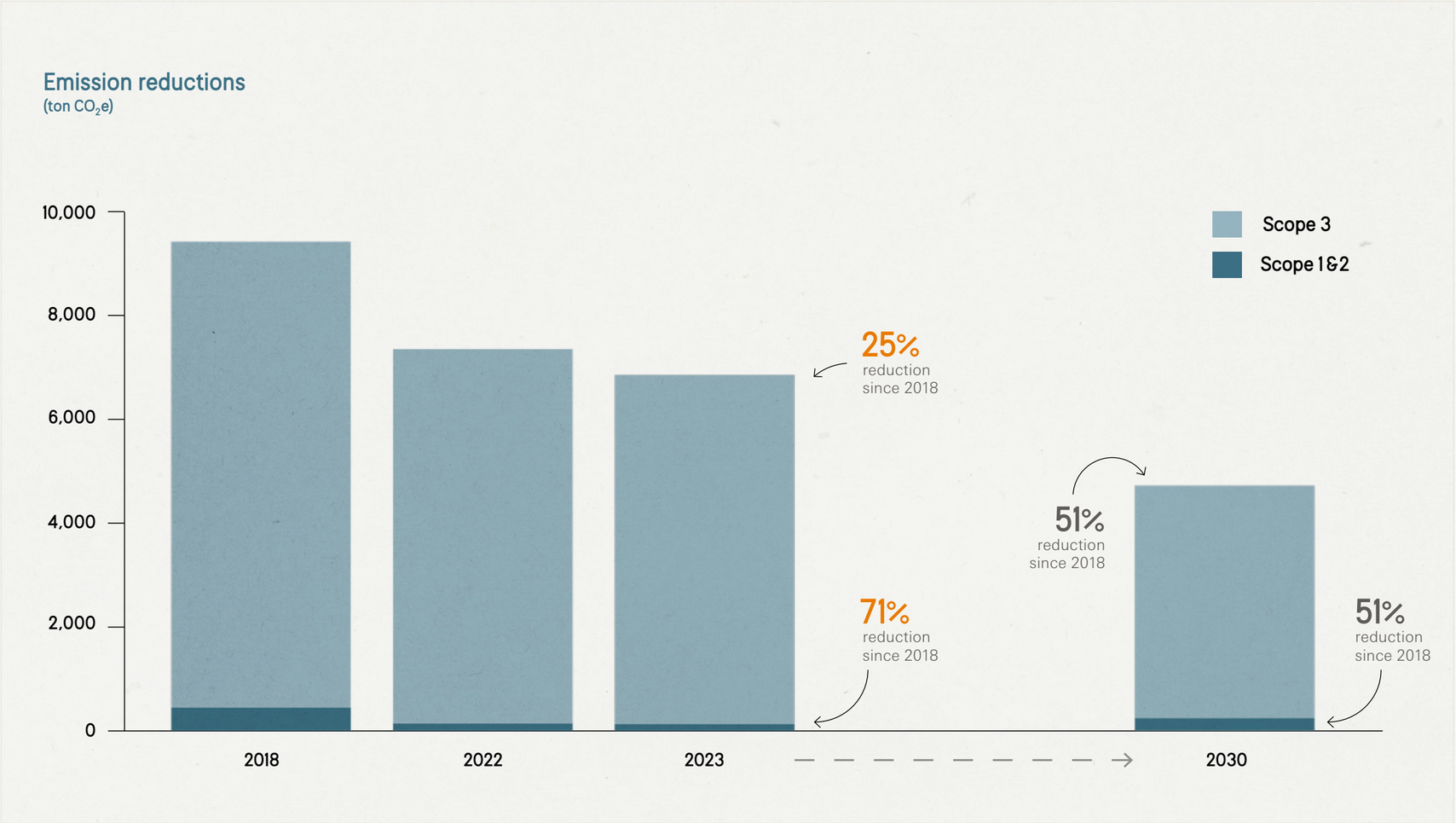
16. → UPS Carbon Neutral program

Emission reductions

Mapping Nudie Jeans' emissions for six 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 compared to 2018. 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 did increase for a couple of years after 2018, but for 2023 we see a slight increase of 1% compared to 2018 but a decrease of 7% compared to 2022. To learn more about how we work with actual data, averages, and estimates, please read the beginning of the climate chapter.



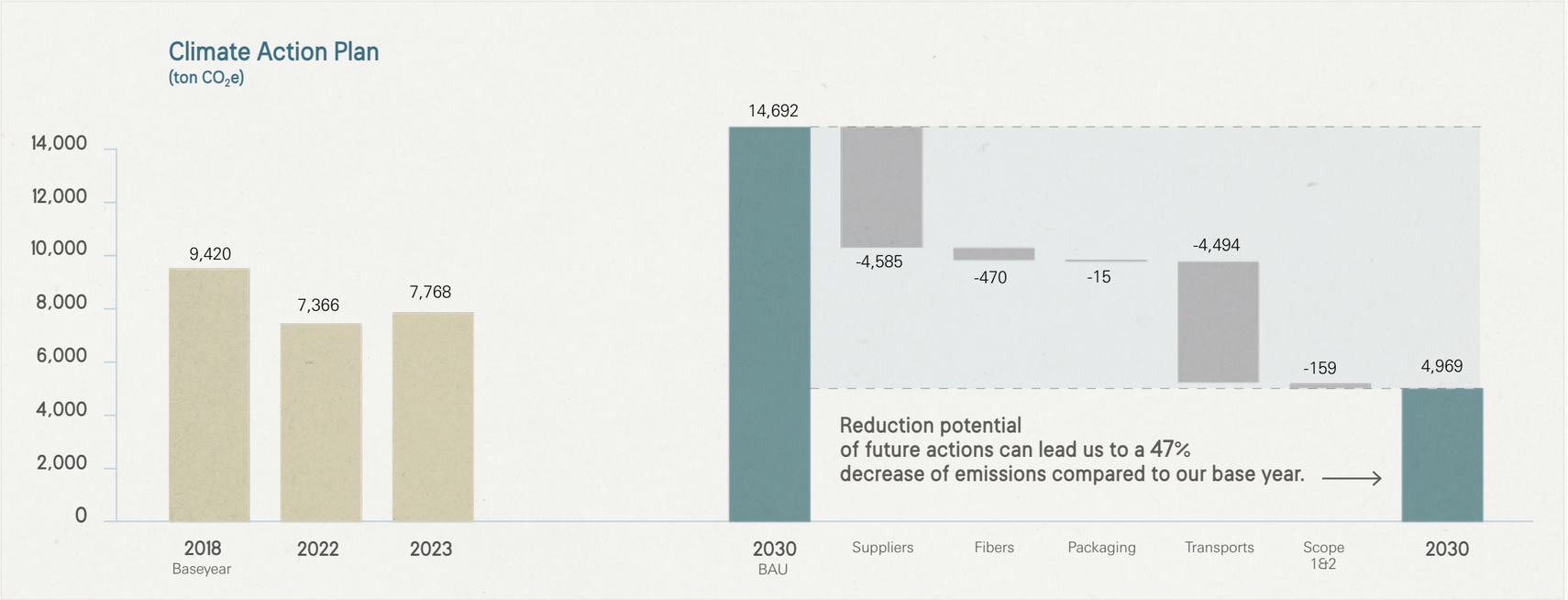
Climate Action Plan

In 2024, 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 three 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 CO_2e 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 2024, 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 CO_2e 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 CO_2 emissions and water use, and do not show the product's full environmental impact, including other impact categories such as eutrophication, 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

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, trade back post-consumer Nudie Jeans products, 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.

A significant share of our sustainability performance, 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 paved the 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 digitization 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 below, 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.

Our main partnerships within this field in 2024:
- SCINTEX
  (research and innovation project)
- System Demonstrators
  (research and innovation project)
- Certified To LAST
  (research and innovation project)

RISKS AND CHALLENGES	ACTIONS	GOALS
Risk of reduced lifetime of jeans due to lack of repair possibilities for all our Nudie Jeans users globally.	Scouting the market for repair needs and strategically expand and develop our solutions of Nudie Jeans Repair Spots.	Open 50 new permanent repair spots globally. Double the volumes of free repairs on the Swedish market.
Risk of reduced lifetime of tops due insufficient collection system.	Investigate development possibilities for our trade back program and pilot the changes.	Collect 2,500 post-consumer non-jeans products from customers.
Risks of insufficient repair methodologies, resources and infrastructure for all Nudie Jeans garments.	Investigate what repairs we are capabale of managing in efficient ways through refurbishment workshops.	Pilot repair service for non-jeans products to customers Refurbish 1000 post-consumer non-jeans products into sellable Re-use products.

The SDGs in this 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.

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 CO_2 emissions in Scope 1 and 2 of the Greenhouse Gas Protocol which includes our Repair Shops and offices, were reduced by 70% in 2023 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 CO_2 emissions in these scopes are thanks to the shift from fossil-based to renewable sources for our business domestic electricity subscriptions. Another important driver of reductions was the purchase of Energy Attribute Certificates (EAC) for each specific market. For the full year of 2023, 89% 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's. 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 2024, our Mobile Repair Station made few stops around the world, repairing a total of 402 pairs of Nudie jeans for customers beyond the horizon of our Repair Shops. 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 2024, our Repair Partners contributed with 6,925 repairs, making up more than 10% of the yearly total. All our Repair locations including Repair Shops, Repair Partners and Mobile Repair Events, ultimately repaired 68,342 pairs of Nudie jeans, a slight reduction of 7% compared to 2023, which also is our record year to date. The global repair average in our Repair Shops, meaning the total number of repairs done by our shops split on all our shops, was 1,968 which is an increase with 7% from the year before. During last year, we also restocked our free Repair Kit and simplified the distribution solution having them shipped to customers more regionally from selected stores. In 2024 we sent out 2,071 Repair Kits, compared to 1,425 in 2023.

Trying out express repairs

In 2023 we started a new pilot by offering speeding tickets to our store visitors in London. But only if you are in a hurry! Haste is nothing we promote in itself, but fact is that life is constantly happening. Providing express repairs means job done within 24 hours upon the availability of the store staff. It was the first time we charge for repairs and we are curious to understand more about this add on. So in 2024, we expanded the pilot to our three Repair Shops in the U.S. But no matter the outcome, the free repairs will of course keep on rolling as usual.

Our Net Promoter Score for our Repair Service was +84.4 based on 2700 respondents for 2024:

The NPS Benchmark score system:
+70 to +100 = Excellent
+30 to +70 = Great
0 to +30 = Good
-100 to 0 = In need of improvement

Re-
use
Pre-loved denim.
Washed and repaired.
Reusing saves water
and reduces textile waste.
Nudie Jeans co

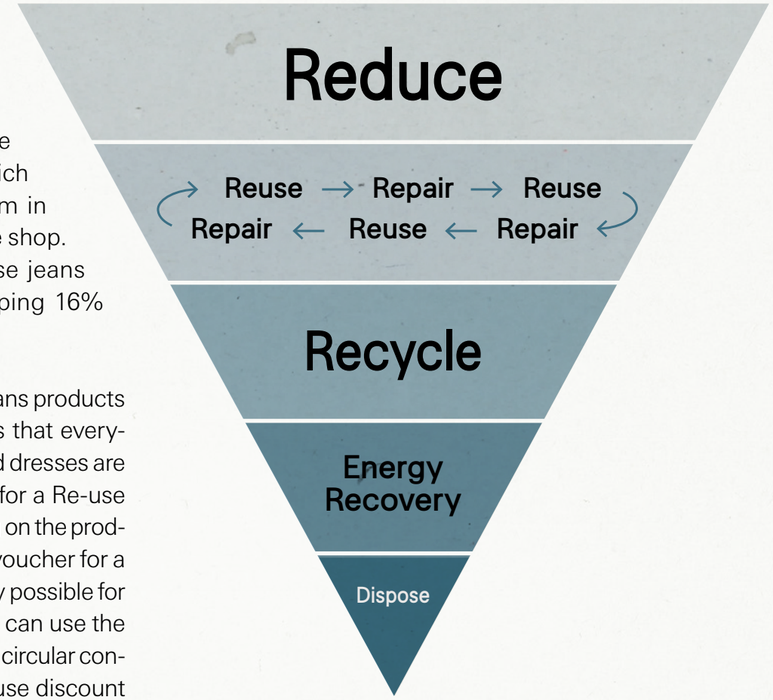
Free repairs forever.
Nudie Jeans co

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 or Repair Partners. 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 2024, we collected 19,956 pairs of post-consumer jeans spread out across our repair spots, which is a slight increase of 1.5% looking at the previous year.

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. 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. In total we sold 3,513 pairs of Re-use jeans throughout all sales channels, dropping 16% compared to 2023.

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 post-consumer 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 2024, we shortened the seconds once more. This time we cut the legs of selected 550 pieces of second choice jeans from our Italian production line. The jeans were turned into ready made shorts as an alternative way to curate new products out of jeans with defects from manufacturing. 6,000 pieces of second choice jeans were also used to make new Nudie Jeans denim fabric though pre-consumer mechanical fiber recycling, together with our partners Denim Authority and Swift Denim in Tunisia. In Australia, 230 pairs of post-consumer Nudie jeans were used in the production of new Ture Blankets.

Full denim circularity in Australia

In 2023, we embarked on several groundbreaking projects aligned with our strategy that underscored our commitment to circularity and innovation. Our partnership with Waverly Mills, River Rugs, and Kandui resulted in the transformation of discarded Nudie jeans into blankets, upcycled rugs, and tiles. These projects not only highlighted our dedication to reducing waste but also showcased our ability to create unique, high-quality products from recycled materials.

Building on the success of 2023, we expanded our circular initiatives in 2024 with even more ambitious projects. One of the key developments was the creation of a Nudie Jeans "POD" made from our own plastic bags and discarded jeans in collaboration by FABTEC. This innovative POD serves as a re-use trade-in/drop-off system, providing an alternative option for our customers to return and recycle their old jeans. Additionally, approximately 2,000 pairs of jeans were prepared for resale in our stores. This effort supports our circular economy model by promoting the longevity of our products and reducing environmental impact. In collaboration with Upparel, we recycled a significant amount of leftover denim into new, valuable materials, furthering our circularity goals and avoiding waste.

These actions reflect our dedication to creating a more circular future, which was also recognized by the Better Future Sydney award, which was elevated to the Australian Design Awards (Gold) and then elevated to the World Design Awards (Silver).

Re-use Gold

For a short while in 2024, Re-use online was shining extra brightly. Our first Re-use Gold drop was released in late November and sold out in only a couple of hours. These ten carefully selected pieces highlight the most rare and beautiful examples of Create Tomorrow's Vintage in practice and how a product can increase in value over time, both affectionally, aesthetically and monetary. All Re-use Gold were handpicked and repaired by our Circular Product Developer Michael Gorgnäs, and as with all Re-use online drops, the entire process was done completely in-house.

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 CO_2 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.

We believe that rental models are highly compatible for garment types such as outdoor, formal occasions and kid's 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

The growing interest in sustainability, particularly in responsible consumption, is strongly reflected in our wholesale business worldwide. More and more customers and their consumers are willing to invest in garments from brands that practice sustainability. This trend is evident across the board.

Our buyers are becoming more cautious with their spending, and our new business model, which reduces risk for every stakeholder in the supply chain, continues to be well received. Unlike many of our competitors, it's only a minor part of the products we deliver that will soon be phased out and put on sale and this approach has strengthened our business case. We've already seen great results and a significant increase in interest. This, in combination with our revised distribution strategy and limited sales channels, we've noticed both existing customers adapting to it and new interest from other stores.

We continue to work with some of the best retailers globally. Some have been with us for a long time, while others are new and shaping the next generation of retailers. They all play a part in building the Nudie Jeans brand and spreading the word about our products beyond the reach of our own Repair Shops. With tighter distribution, we've been able to invest more in our relationships, and working closely with our wholesale clients is creating sustainable, long-lasting partnerships.

Repair Partners

The Repair Partner Program enable 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 behaviours as an extension of our Repair Shops. The concept sets a good example regarding the need for stakeholder collaborations aiming to achieve greater responsibility and increased circularity in the retail arena, and we also see it as a great way to connect our key partners closer to us and strengthen our collaboration. The Repair Partners are equipped with the same sewing machines and tools as our own Repair Shops; to remain consistent in the services provided.

RES-RES
Repair Partner Denmark

"Respect Resources is what RES-RES stands for and it is incorporated in every action and decision we take. Since day one, September 2016, Nudie Jeans has been a close partner to us, and we did “all” the repairs, on a 1962 Husqvarna, 1.5 year after we “upgraded” to a more trustworthy machine. In 2019 we became one of the first Official Repair Partners in Europe. What surprises us, is the goodwill we get from customers through this service, and the word of mouth domino effect. Through a repair we get to know our customers in a way, I have never thought possible.

With every repair, there is a story, some are funny, some are classic, some are expected, and some are jaws dropping crazy. So with thousands of repairs in the backpack, we have a story or two, what is your best story? ;-)

The Nudie Jeans repair philosophy goes hand in hand with our purposes in RES-RES, and to secure consumer behavior towards one of the most important steps, in a sustainable transition."

Søren Sørensen
Founder, RES-RES

Find all Repair Partners here:

→ Repair Partners

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 Zeeland shops ship to a warehouse at our office in New South Wales, Australia. Due to lack of a central warehouse in the U.S for 2024, our shops have handled claims and unsold products on their own.

For unsold products in most of our European shops, we try to proactively and strategically send them back to our Swedish warehouse, from where they can be sold online primarily during sales periods. However, since Brexit, our UK shops keep their unsold stock to be included in future regional sample sales. Flows of unsold garments vary depending on the market. Unsold products in the American and Australian markets are not resold online, but may be sold to local wholesale partners, included in regional sample sales 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. 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.

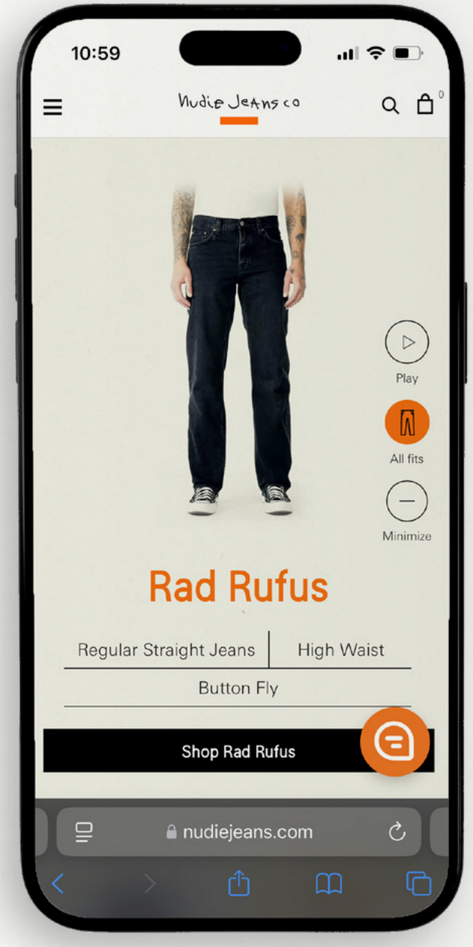
Sale samples produced when creating new collections and used for presenting to wholesale clients, are stocked for occasional sample sales in each market region. Unsold garments are stocked for future projects.

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 CO_2 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.

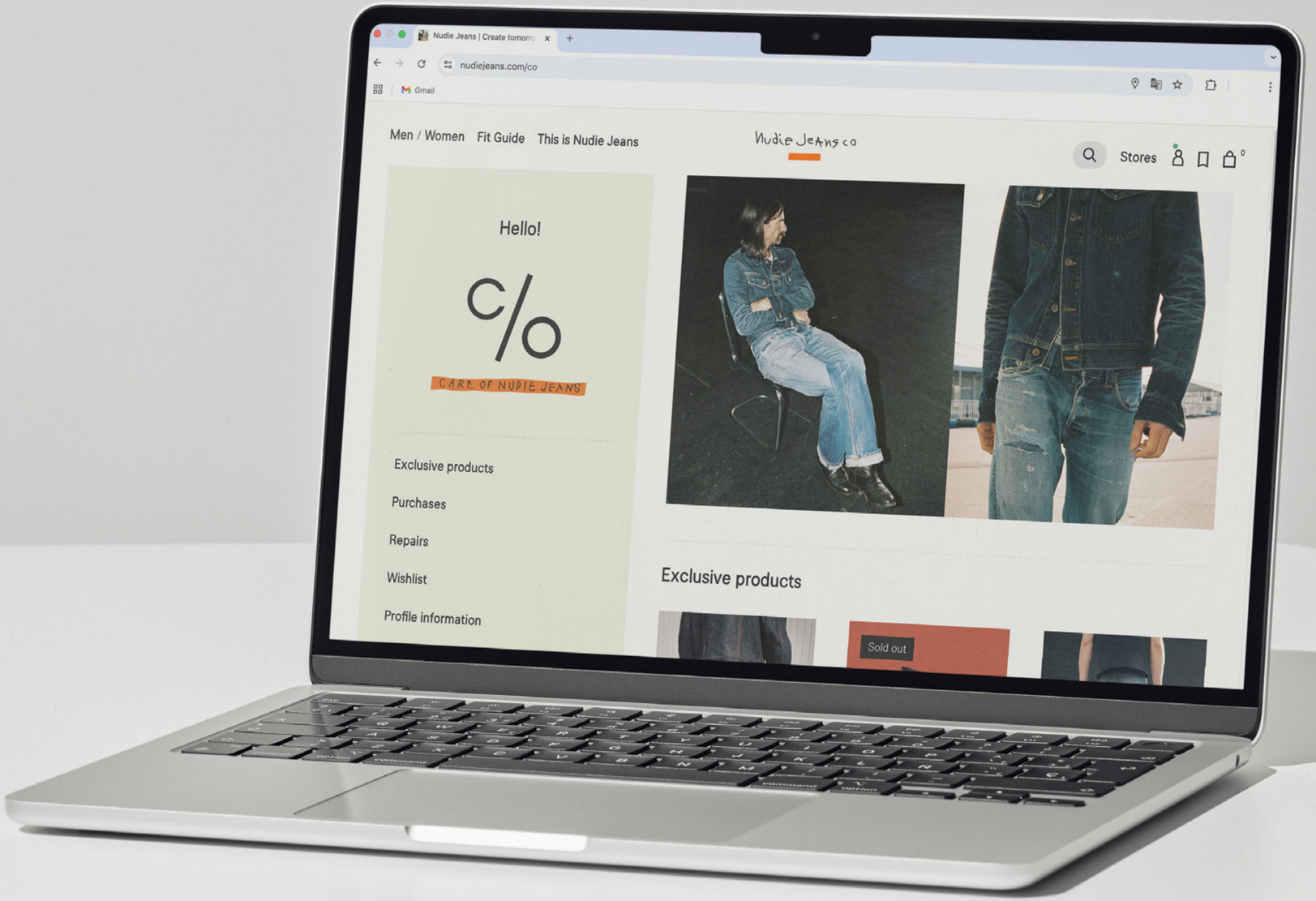
The growth of e-commerce sellers, discount offers and risk-free discoveries of sizes and style shopping journeys are increasing the return rate in the clothing industry. Traditionally, e-commerce business owners see returns as a big issue and implement actions that make it harder to return without affecting 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 2024, 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, CO_2e 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

We started 2024 with 355,326 c/o members. In March we implemented a new process that deletes all inactive members after three years. Over the year 108,933 members have been deleted, and we ended the year with a member base of 337,969. With over 100K members deleted, we do not see a growth in the members' total for 2024 compared to 2023. However, looking at new recruits, we reached 94,092 in 2024, marking an increase compared to 82,001 in 2023.

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.



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 2024, following the renewed strategy, we continued the process of identifying prioritized areas in which to work and defining new goals that aligns with the strategy. Looking forward, we have goals to work towards 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[20]	Time frame		Status 2024	Comments
Climate[19] Reduce GHG emissions and gather actual emission data from scope 1, 2 and 3.	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	✕	Missed target, in 2023, 89% of all electricity consumed in our facilities came from renewable sources.	The time gap between purchasing EAC's and receiving the primary data makes it challenging to accurately estimate the need for EAC's in each market to achieve 100% renewable electricity coverage. We will continue to strive for 100% renewable electricity and purchase EAC's to cover for the stores and offices that have yet had the possibility to change to a green tariff.
	Reduce scope 1 and 2 GHG emission by 51% to 2030.	2030	→	In progress, -71% in 2023.	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[21]	2030	→	In progress, -25 % in 2023.	The emission reduction is connected to a decreased production volume in 2023, as well as an increased share of renewable energy at some of our suppliers

19. All emission data in this report is for the full year of 2023.
20. For all data, we used 2018 as a base year, unless otherwise stated.
21. 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.	Nudie Jeans becomes a GOTS certified brand.	2024	✓	Fullfilled.	Nudie Jeans became GOTS certified in February 2024.
	Develop and launch products made in Regenerative organic cotton.	2025	✓	Fullfilled.	The first products made in Regenerative organic cotton will be launched in the SP25 collection, thereafter the number of styles will increase in coming collections.
	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.
	Increase the number of GOTS certified styles with 20% for all denim styles and 10% for all apparel styles by end of 2026 (base year 2025).	2026	→	In progress.	Based on product development taking place in 2024 for collections launching in 2025 we have created a baseline, and the work to develop garments for 2026 will take place in the coming year of 2025.
Living wages Develop and adapt the concept of living wages at our different suppliers.	Map the general Living Wage Gap for prioritized suppliers[22].	2025	✓	Fulfilled.	Completed for all prioritized suppliers using validated third party benchmarks.
	Open costing for suppliers where we have an active living wage program.	2025	→	In progress, 75%.	In 2024 we received open costings for 3 of 4 suppliers where we have an active living wage program.
	Map local living wage benchmarks for prioritized suppliers.	2027	→	In progress, 57%.	In 2024 we mapped the local living wage benchmark at 4 of 7 of our prioritized suppliers.
	Living Wage payment to reach 100% of our prioritized suppliers where a gap is detected.	2030	→	In progress.	As local benchmarks has not been completed for all, it can not yet be measured. Currently, we are paying our share of living wages to 4 of 7 of our prioritized suppliers.
Transparency Develop and explore transparency for Nudie Jeans products and value chain	Pilot Digital Product Passports.	2027	→	In progress.	As a part of the System Demonstrators-project, we will take on the full process of creating DPP's for selected products and evaluate the concept for future legislative requirements, new transparency possibilities and sourcing needs.

22. Prioritized suppliers are the suppliers with the largest share of Nudie Jeans production value and where have an active living wage program.

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, Repair Partners and Repair Drop Off-points. (base year 2017)	2030	→	In progress, 44% in 2024.	In 2024 we opened up a new Repair Shop at Poststrasse in Hamburg, and a some new Repair Partners, while our Barkaby Repair Shop Outlet, our last Japanese Repair Shops and a few Repair Partners closed. We still see an increase with 4 percentage points compared to 2023.
	Double the volumes of free repairs for our customers on the Swedish market. (base year 2023)	2027	→	In progress.	A part of the SCINTEX-project.
	Double our Re-use production for the Swedish market. (base year 2023)	2027	→	In progress.	A part of the SCINTEX-project.
	Pilot repair service for non-jeans products	2027	→	In progress.	By experimenting and testing repairs for alternative products, we explore how to create a more extensive Repair Portfolio and offer repairs for other garments than jeans when possible. A part of the SCINTEX-project.
	Collect 2,500 post-consumer non-jeans products from customers	2027	→	In progress.	To take further steps in exploring circular consumption behaviours together with our users. A part of the SCINTEX-project.
	Refurbish 1,000 post-consumer non-jeans products into sellable Re-use products	2027	→	In progress.	This is a way of exploring how to add Re-use tops to our Re-use assortment. A part of the SCINTEX-project.

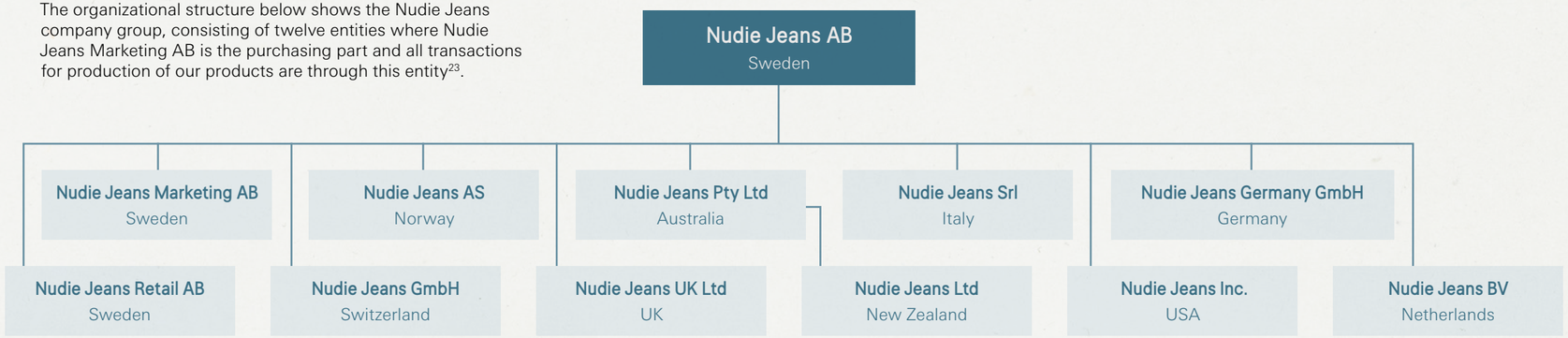
Reporting structure

Nudie Jeans' sustainability report for 2024 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.

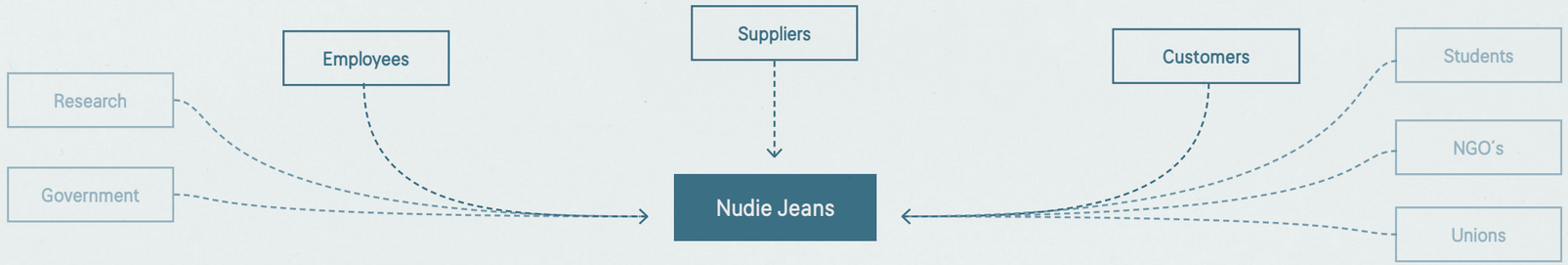
The starting points of the materiality assessment were the GRI standards together with Nudie Jeans' prioritized Sustainable Development Goals are SDG 8, 12, 13, 15 and 17, because they capture the areas in which we have the largest impact. Our most important stakeholders are identified as customers, suppliers and employees. When conducting our stakeholder survey, we presented the identified

Nudie Jeans organizational structure

The organizational structure below shows the Nudie Jeans company group, consisting of twelve entities where Nudie Jeans Marketing AB is the purchasing part and all transactions for production of our products are through this entity[23].



To understand where we should put our focus and which sustainability areas are of interest for our stakeholders, we have identified our stakeholders and where their interests are, as well as identified where our biggest impacts are and which topics we need to report on.

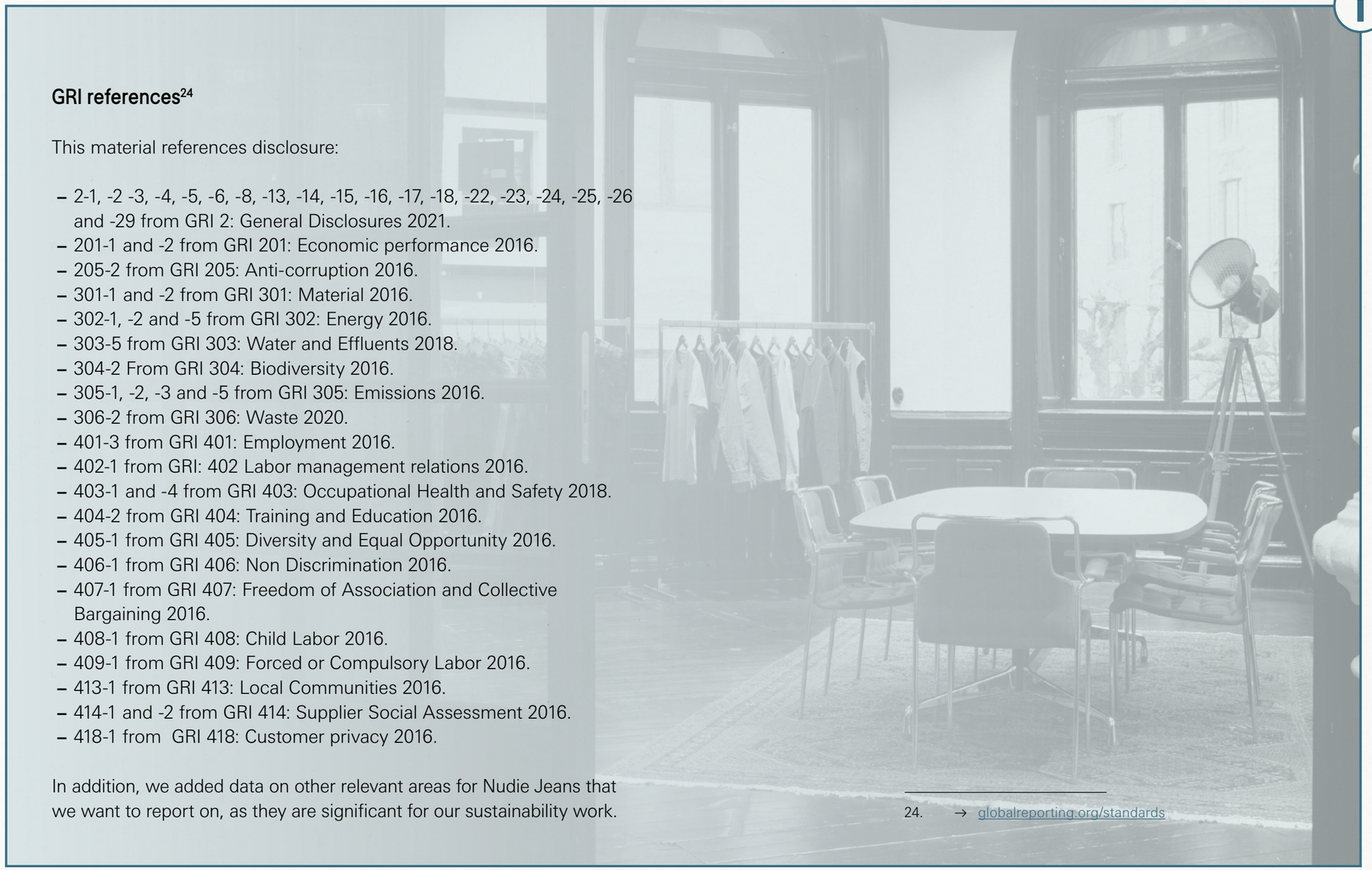


23. All subsidiaries are owned 100% by Nudie Jeans except Nudie Jeans Pty Ltd who have 60% of shares and voting rights.Nudie Jeans AB is owned by Svenska Jeans Holding AB.

topics to our stakeholders (customers, suppliers, and employees) through an online survey.

The result from the stakeholder survey for customers we made in 2021 was reused for the analysis for 2024. 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.

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 references[24]

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.

24. → globalreporting.org/standards

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, 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 2024.

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.

Sustainable Development Goals.

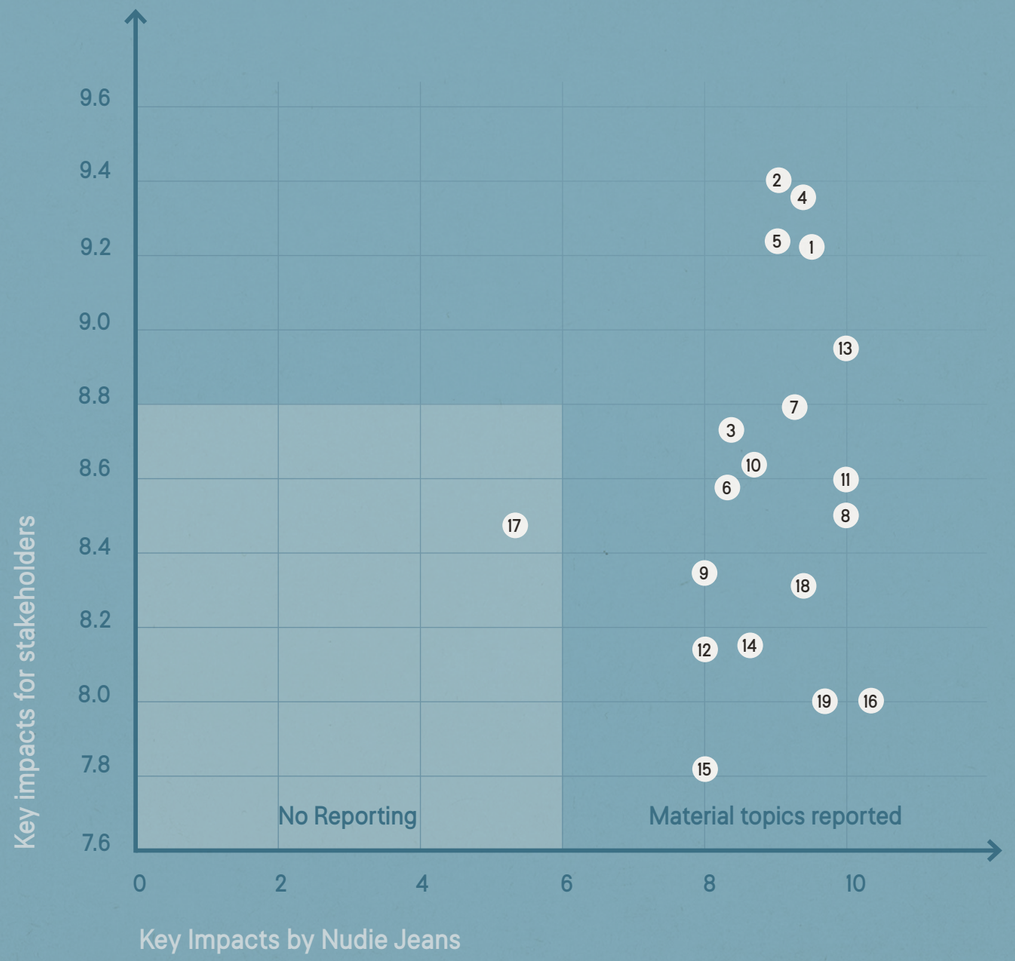
The SDGs in each chapter are illustrated by the importance of the goal, where the main SDG is displayed in a larger size and the associated SDGs are smaller, based on the significance for Nudie Jeans' impact. However, in the materiality matrix in the following pages, the SDGs are listed in relation to identified topics and targets.

Prioritized SDGs

Other SDGs we work with

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	SDG Target	Impact	Action	Identified GRI standards	Boundaries	Pages
Organization and strategy	9 Management system at Head office	7, 8, 12	7.2, 8.4, 12.4	⊕	Internal policies, Climate mapping scope 1 and 2, Renewable Energy in Repair Shops and Head Ofiice	102: General disclosures 205: Anti-corruption 408: Customer privacy	Head office and stores	3 – 21
Communications and Collaboration	15 Partnerships	12, 17	12.6, 17.9, 17.16, 17.17	⊕	Fair Wear Foundation, Fairtrade, STICA, Certified to LAST, Scintex, Steering group 2030 Textile and Fashion, Bachelor and Master thesis, Mistra BioPath, School of Economics, Gothenburg	102: General disclosures	Head office	9 – 16
Nudie Jeans as a Workplace	4 Employment conditions	8	8.5	⊕	Internal policies for a better working environment	401: Employment	Head office and stores	17 – 18
	5 Diversity, equality and non-discrimination	5,10	5.1, 10.3, 10.4	⊕	Internal non-discrimination policy, Recruitment process, Wage policy	405: Diversity and equal opportunities		
Financial Information	16 Financial status of Nudie Jeans	8	8.3	⊕	Annual financial reporting	201: Economic performance	Head office	19
Materials	7 Sustainable Materials & Certifications	9,12,14,15	9.4, 12.2, 15.2	⊕	Organic Cotton, Fairtrade, Tencel	301: Material, 413: Local community 302: Energy, 305: Emissions	Supply chain	22 – 38
	12 Animal Welfare	15	15.5	⊕	Fur Free Alliance	101: Biodiversity		
	18 Biodiversity	15	15.5	⊕	Mistra BIOpath			
				⊕	Regenerative organic cotton			
				⊖	In part of the supply chain with low transparency on biodiveristy we can assume that we have a potential negative impact			

⊕ Direct positive ⊕ Indirect positive 😐 No impact ⊖ Indirect negative ⊖ Direct negative

Our focus areas	Our identified topics	SDGs	SDG Target	Impact	Action	Identified GRI standards	Boundaries	Pages
Production	1 Child Labour and forced labor	8	8.7	⊕ ⊖	Fair Wear Foundation, Sag Salim In part of the supply chain with low transparency on biodiveristy we can assume that we have a potential negative impact	408: Child labor. 409: Forced or compulsory labor	Supply chain	39 – 74
	3 Freedom of Association	8	8.8	⊕ ⊖	Fair Wear Foundation In part of the supply chain with low transparency, we can assume that we have a potential negative impact	407: Freedom of association		
	4 Employment conditions & Work towards Living Wage	1, 5, 8	1.1, 1.2, 5.1, 5.5, 8.5, 8.8	⊕ ⊖	Fair Wear Foundation, Living Wage Project, Fairtrade Cotton Premium In part of the supply chain with low transparency, we can assume that we have a potential negative impact	202: Market Presence		
	6 Audits, workers training and supplier assessments	4, 8, 12	4.3, 4.4, 8.8, 12.6, 12.8	⊕ ⊖	Internal evaluation process and sourcing strategy, Supplier trainings In part of the supply chain with low transparency, we can assume that we have a potential negative impact	414: Supplier social assessment, GRI 404: Training and Education		
	10 Chemicals and water in production	6,12, 14	6.3, 6.4, 6.6, 12.4, 14.1	⊕ ⊖	Water treatment plants, Water risk analysis, Guppy Friend washingbag Nudie Jeans have fabric blends containing elastane, which can potanitially have a negative impact if releasing microfibers	303: Water and effluence, 306: Effluents and Waste		
	2 Occupational health and safety	3,8	3.9, 8.8	⊕ ⊖	Organic Cotton, Fair Wear Foundation Most reaccuring finding in audits at Tier 1	403: Occupational Health Safety		
	14 More sustainable transport options	11,13	11.2, 13.2	⊕	Climate mapping (Scope 3) and Actions to reduce CO_2 emissions	302: Energy, 305: Emissions		
	8 Climate, lower emissions, and clean energy	7, 13	7.2, 13.2, 13.3	⊕ ⊖	Climate mapping (Scope 3) and Actions to reduce CO_2 emissions Nudie Jeans lack direct impact on suppliers decision to create climate strategies including emission reduction actions	302: Energy, 305: Emissions		
	13 Transparency and tracebility of products	12	12.6	⊕	Product transparency	102: General disclosures, 204: Procurement practices		
	19 Social Assessment	10	10.2	⊕	Fair Wear Foundation	414: Supplier social assessment		
Products and User-Phase	11 Repair, reuse, recycle activities	8, 12, 13	8.4, 12.1, 12.2, 12.5, 13.2	⊕ ⊖	Circular Activities, Free Repairs, Re Use , Scintex Nudie Jeans lack the infrastructure to sell all leftover products, and we lack possibility to recycle all our second choice garments and production waste	301: Material, 306: Effluents and Waste	Stores and Retailers	75 – 90
Non material topics	17 Warehouses and distribution centers						Supply Chain	
Other topics	Local communities	1, 2, 9	1.1, 2.5, 5,2, 9.3	⊕	Chetna Organic Cotton, Sustainably Crafted Clothing	413: Local Communities	Supply Chain	24, 46

⊕ Direct positive ⊕ Indirect positive 😐 No impact ⊖ Indirect negative ⊖ Direct negative

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 2024 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, April 22, 2025

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 2024

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.
BCI (Better Cotton Initative)	A non-profit, multistakeholder governance group that promotes better standards in cotton farming and practices.
Circularity	The principle that used or discarded products serve as raw materials for new products or materials.
CBA (Collective Bargaining Agreement)	A written legal contract between an employer and an union representing the employees.
EAC (Energy Attribute Certificate)	A certificate that represents the environmental attributes of one megawatt-hour (MWh) of electricity generated from renewable energy sources. EACs are used to track and trade renewable energy and ensure that the energy consumed is matched by renewable energy production.
EMAS (Eco-Management and Audit Scheme)	A voluntary environmental management instrument.
FSC (Forest Stewardship Council)	An international non-profit, multistakeholder organization that promotes responsible management of the world's forests.
FWF (Fair Wear Foundation)	A multi-stakeholder organisation that works with garment brands, workers and industry to improve labour conditions in garment factories.
GMO (Genetically Modified Organism)	Any organism whose genetic material has been altered using genetic engineering techniques.
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.
GRI (Global Reporting Initative)	Helps businesses and organizations understand and communicate their impacts on issues such as climate change, human rights and corruption.
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.
MSI (Materials Sustainability Higg Index)	A database and tool to measure and score the environmental impacts of materials.
Post-Consumer	A waste type produced by the end consumer of a material stream.
PPE (Personal Protective Equipment)	Equipment worn to minimize exposure to hazards that cause serious workplace injuries and illnesses.

RAS (Responsible Alpaca Standard)	A voluntary standard that addresses the welfare of alpaca and the land they graze on.
Regenerative organic cotton	Organic cotton that is grown using regenerative agriculture practices that aims to improve soil health, increase biodiversity, and sequester carbon.
RMS (Responsible Mohair Standard)	A voluntary standard that addresses the welfare of goats and the land they graze on.
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.
WRI (World Resource Institute)	The activities are focused on seven areas: food, forests, water, energy, cities, climate and ocean.