



## BRAND PERFORMANCE CHECK

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Nudie Jeans Co.

PUBLICATION DATE: JUNE 2015

this report covers the evaluation period 01-01-2014 to 31-12-2014

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at multiple levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of the clothing brands have an enormous influence for good or ill on factory conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices.

In most apparel supply chains, clothing brands do not own factories, and most factories work for many different brands. This means that in most cases FWF affiliates have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of affiliates. Outcomes at the factory level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF affiliates cannot guarantee results.

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a factory can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

Improvement of supply chains is a step-by-step process, through which affiliates must address many different issues. FWF affiliates vary greatly in management structures, and have different strengths. The Performance Benchmarking system is designed to reflect these differences, and the many different ways that a company can support better working conditions.

During the Brand Performance Check, FWF staff speak to various employees at the affiliate who have important roles to play in the management of supply chains. FWF verifies the actions of affiliates based on several sources including documentation of activities, financial records, the affiliate's supplier register and staff interviews. Following the Brand Performance Check, FWF summarizes findings in this report, which is made public via [www.fairwear.org](http://www.fairwear.org). The [Brand Performance Check Guide](#) provides more information about the indicators and is available for download.

## BRAND PERFORMANCE CHECK OVERVIEW

Nudie Jeans Co.

Evaluation Period: 01-01-2014 to 31-12-2014

AFFILIATE INFORMATION	
Headquarters:	Göteborg, Sweden
Member since:	01-11-2009
Product types:	Fashion
Production in countries where FWF is active:	India, Italy, Lithuania, Portugal, Romania, Tunisia, Turkey
Production in other countries:	Sweden
BASIC REQUIREMENTS	
Workplan for this evaluation period was submitted?	Yes
Actual supplier register for this evaluation period has been submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	99%
Benchmarking score	78
Category	Leader

## Summary:

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

Nudie Jeans systematically works towards resolution of corrective actions in all countries. Nudie Jeans activities go beyond FWF requirements in low risk countries. After an audit in India, remediation steps were taken and follow up is being closely monitored. The company has taken steps to increase wages at one supplier in India; an approach that is being implemented at other factories in their supply chain. Nudie Jeans can take steps towards analysing the root causes of excessive overtime and how this relates to its own buying practices. Moreover, it can encourage more suppliers to take part in FWF's Workplace Education Programme.

Nudie Jeans developed a production guide as part of their 100% transparency challenge. The production guide includes all suppliers with factory addresses and a summary of audit results.

## PERFORMANCE CATEGORY OVERVIEW

**Leader:** This category is for affiliates who are doing exceptionally well, and are operating at an advanced level.

**Good:** It is FWF's belief that affiliates who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF affiliates—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of affiliates will receive a 'Good' rating.

**Needs Improvement:** Affiliates are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Affiliates may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

**Suspended:** Affiliates who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Affiliates may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

## 1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	67%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	3	4	0

**Comment:** Nudie Jeans has a consolidated supplier base with a contained number of suppliers where they have high leverage. 67% of its 2014 production volumes comes from suppliers where they buy at least 10% of the factories' production capacity. The sourcing strategy is to optimize production and concentrate orders to a few suppliers with each supplier making one product. New suppliers are selected only when a new style of product group is introduced. Leverage is also gained by being a premium brand that suppliers would like to have in their client portfolio. Suppliers indicate they want to produce for Nudie Jeans despite the low quantity. These aspects gives Nudie Jeans a strong position to effectively request improvements of working conditions.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	44%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	2	4	0
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**Comment:** Nudie Jeans maintains a long term relationship of over 5 years with suppliers that account for 44% of the company's production volume.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0
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**Comment:** The two new suppliers in Turkey and India both signed the questionnaire and Code of Labour Practices.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
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**Comment:** A formal process exists to evaluate conditions at suppliers before placing orders. New suppliers are always visited and receive a package with requirements on transparency, the Code of Labour Practices, in particular living wage and the catalogue explaining the company's sustainability work. The package is discussed during the visit to get commitment from suppliers to be transparent and work on the common goals. The willingness of factory management to cooperate and be transparent is a crucial element in deciding to start a business relationship. The visits are normally also together with the CSR manager, Buyer and head of product development, jointly presenting the company's profile. Findings from this process and from the basis health and safety check is documented and shared with the factory as well as all relevant staff at Nudie Jeans. Production and CSR department together decided take all these aspects into consideration in the decision making process of selecting a new supplier. At the new supplier in India, an audit was conducted with a local consultant. When there is an existing audit report, Nudie Jeans checks during the visit what has been implemented of the findings. In other cases, Nudie Jeans schedules a FWF audit in an early stage, often in the first few months, in order to get a full assessment of the labour standards.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and performance improvement is rewarded	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0
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**Comment:** Nudie Jeans has a system to evaluate progress on willingness and improvements regarding social compliance. Each supplier is evaluated by product group; all staff working with that product group is involved in the evaluation. CSR performance plays a major role in the overall evaluation of suppliers. In case a supplier falls behind in certain areas, a plan is established to put more attention on the issue. Buyers are included in communication with suppliers about improvements which ensures the supplier knows this is supported by buyer/production. Given that one product type is mostly made at each supplier the stock order fluctuates with changes in sales, which means it is difficult to reward with extra orders. Nudie Jeans does reward suppliers with stable orders and continuing business relationships. Nudie Jeans has terminated a business relationship when production was not made at the location where monitoring took place. After repeating the requirements and discussing transparency issues several times, the company decided to no longer work with this supplier.

1.6 The affiliate's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	4	4	0
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**Comment:** Nudie Jeans' order placement system includes several instruments to ease pressure on factories. The company blocks fabric and blocks orders to facilitate good planning with the suppliers. Nudie Jeans has direct contact with fabric suppliers to ensure timely delivery at the manufacturing site. Often fabric can be used for different styles. Nudie Jeans never has late changes given that the design and styles do not change after sales samples are done. This means no changes several months before the production starts and gives suppliers time to prepare for production. Nudie Jeans is aware of the production capacity of the factory and knows which production lines are used for their production and how much time it costs to complete their order. Denim production is all year round and stock orders are used to spread to low periods of the factory. Nearly 50% of the collection are carry-over styles.



1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Advanced efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	6	6	0
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**Comment:** One out of 4 audits conducted by FWF teams in 2014 showed excessive overtime and an issue with in-transparent records. This audit was at a fabric supplier, officially outside the scope of FWF. The other audits conducted in Tunisia and India showed no excessive overtime. Over 75% of Nudie Jeans' 2014 production volume is sources from countries classified as low risk.

Nudie Jeans analyses the cause of overtime and investigates whether a solution can be found in their order planning. For denim, Nudie Jeans staff is permanently keeping track of production. The production capacity is known for each separate production line. If output is too high, it would raise a concern. For tops, it is more difficult to analyse the working hours in relation to Nudie Jeans production. For those cases, Nudie Jeans accepts the deadline given by the suppliers. In rare cases of delays when the supplier cannot make the order, Nudie Jeans can postpone deadlines and complete its orders with other denim production. If fabric is late, production time is not squeezed, but order will be moved around orders when the factory cannot meet the deadline. Mostly delays happen because the washing does not come out the way it is supposed to.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0
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**Recommendation:** Increased transparency in costing gives insight in the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages. With the advanced transparency level Nudie Jeans has with its denim suppliers, it could investigate the share of labour costs that is paid to workers in relation to their own prices.

**Comment:** Nudie Jeans' policy states their prices and efforts should allow for payment of living wages. On country level Nudie Jeans is aware of minimum wages and how this generally relates to their pricing policy. Although the cost break down includes sewing, cutting, washing costs, the exact share that goes to workers per style is not known.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2
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**Recommendation:** It is recommended to further investigate and discuss the quality of the CBA and whether workers in probation period have a free choice of being a union member or not and can join a union of own choice.

**Comment:** The audit at the fabric supplier concluded wages for workers in probation period fall below minimum wage when the union fee is deducted. This is officially not illegal but does raise questions regarding the quality of the CBA and the free choice of union membership. Nudie Jeans has actively discussed the issue with the supplier and is in process of further follow up.

1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of factory and affiliate financial documents.	0	0	-1
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1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Supply chain approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	6	8	0
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**Comment:** Nearly 75% of Nudie Jeans' production comes from factories in low risk countries where wages are negotiated through a collective bargaining agreement. At one of its suppliers in India, Nudie Jeans supports movement towards living wages through agreeing on a price increase for their order. A local NGO monitored the payment of the price increase to workers. First steps towards copying this approach to other suppliers is in process. Nudie Jeans has discussed living wages with suppliers in India and Romania, presented the concept and evaluated trials at the Indian supplier. At another Indian supplier, living wage data was collected which included a 'staple diet & market price survey' among workers to determine basic needs wage calculation. This was not yet further discussed given the small quantity at this supplier with no plans to increase. A priority list which estimates the wage gap per supplier is used to initiate dialogue with priority suppliers. Living wage has been identified by the board of Nudie Jeans as the area to work on for every supplier.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
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1.13 Percentage of production volume from factories owned by the affiliate.	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	2	0
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## PURCHASING PRACTICES

Possible Points: 40

Earned Points: 32

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## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	25%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	74%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	99%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: The monitoring program and activities are coordinated through the CSR manager and the Manager of the Product Development Department.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	4	8	-2
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Recommendation: FWF suggests organising a training as part of WEP would be the next step in remediating the complex, long term issues such as freedom of association, overtime and living wages. The findings and reply of management is documented and discussed point by point; the additional step is to verify the evidence and the improvements.

Comment: Nudie Jeans has made several steps towards resolving corrective actions from audits. Status of findings are monitored in a systematic approach with efforts that are coordinated between different staff that have influence over supply chain conditions. Documentation was shown of follow up actions taken by Nudie Jeans in 2014; documents and pictures are filed in the CAP and the status of findings monitored during visits. After an audit in India with serious findings at the dormitories, Nudie Jeans is working with local stakeholders and an external party on the implementation of the remediation plan.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	98%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	4	4	0
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Comment: Production locations are often visited; discussing labour standards and monitoring working conditions is part of the visit.

2.4 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF affiliate	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	N/A	3	0
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Comment: Nudie Jeans has collected existing audit reports as part of sourcing new suppliers. However, when starting production a FWF audit is always scheduled within the same year.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	FWF audit reports should be shared and discussed with suppliers within two months of audit receipt. Timely sharing of information and agreement on corrective actions is essential for improvement. A reasonable time frame should be specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
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2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Intermediate Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	3	6	0
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**Recommendation:** FWF recommends Nudie Jeans to further investigate the risks related to freedom of association in Turkey and to discuss possible solutions for short-term contract issues in Tunisia. With regards to the freedom of movement issues at one of the suppliers in India, FWF encourages Nudie Jeans in cooperation with the external party to implement the remediation plan drafted by FWF.

**Comment:** The choice to source mostly in low risk countries has been a deliberate decision with working conditions taken into consideration. Chinese workers at Italian suppliers were identified as a risk area. Nudie Jeans conducted audits with a Chinese interpreter to be able to interview the workers. In addition, the company is well aware of the risks in India associated to young girls working abroad away from their families. Additional remediation efforts are planned to remediate restriction of movement violations at a dormitory of an Indian supplier. An external party is being contracted to support the factory in implementing the corrective actions; local stakeholders are consulted in the process.

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1
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**Comment:** Nudie Jeans has taken the lead in the remediation plans at the supplier in India that is shared with several other FWF affiliates. Nudie Jeans has also involved other customers of this factory who are not a FWF affiliate.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
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Comment: Nudie Jeans also conducts audits in low risk countries. Nudie Jeans enrolled suppliers in a seminar organised by FWF in Portugal in September 2014.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	3	0
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2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	Supplier register; Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0
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## MONITORING AND REMEDIATION

Possible Points: 26

Earned Points: 19



### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	4	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	1	
Number of worker complaints resolved since last check	3	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1
3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0

Comment: During visits it is always checked whether the Code of Labour Practices is posted. Buyers will send pictures after each visit.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	20%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	1	4	-2
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Comment: The workers that were interviewed for the 4 audits conducted by FWF in 2014 did not show awareness of the FWF worker helpline or the Code of Labour Practices. However it must be noted that Nudie Jeans schedules FWF audits in a very early stage, sometimes even before production starts. Moreover, a training was conducted at a supplier in Romania in 2014 which counts towards this indicator.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	3	6	-2
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Comment: Nudie Jeans has responded adequately after complaints were submitted. Suppliers were informed immediately and internal meetings were held to set a strategy as a complaint can be handled differently depending on the case and on where in the production chain it takes place. at a direct supplier or at a subcontractor. Nudie Jeans has open communication with the supplier and FWF about the complaint. 3 complaints were closed. For the 4th case FWF was still in process of contacting the worker and conducting an investigation. The worker also tried his case at local court.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	-2
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Comment: Nudie Jeans has taken the lead in following up the two complaints from the factory in India which is shared with a number of FWF affiliates.

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## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 9

## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff is made aware of FWF membership requirements	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

Comment: Sales staff receive a training regarding FWF membership. Nudie Jeans production staff have regular meetings with purchasing, product development and CSR staff to discuss status of improvement at supplier level. Emails are sent out to the entire company after audits and staff is updated about general CSR issues during monthly staff gatherings. During collection presentations, a part is devoted to CSR and FWF requirements.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
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Comment: Nudie Jeans participated in a FWF seminar in Portugal with suppliers, agents and production managers. CSR staff actively participated in FWF webinars.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	-2
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**Comment:** Agents in Italy are directly employed by Nudie Jeans. They work as Quality Control and with production planning and actively support the implementation of FWF's Code of Labour Practices. Those agents are responsible for explaining the questionnaire in local language and for the follow up after an audit. Agents participated in the FWF seminar in September 2014 in Portugal and are monitoring and visiting subcontractors.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	37%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	4	6	0
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**Recommendation:** To raise awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. Nudie Jeans should stimulate its suppliers in Turkey, India (specifically the 2 CMT units of their main Indian supplier) and Tunisia to take part in this programme.

**Comment:** Nudie Jeans has conducted trainings as part of FWF's Workplace Education Programme at suppliers in India and Romania.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	All production is in WEP areas.	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	N/A	4	0
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**Comment:** 75% of 2014 comes from low risk countries where Nudie Jeans offers trainings. The remaining 25% is in areas where FWF offers the Workplace Education Programme.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 9

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## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations and update supplier information.	Advanced	Any improvements to supply chains require affiliates to first know all of their suppliers and production locations.	Supplier information provided by affiliate. Financial records of previous financial year. Documented efforts by affiliate to update supplier information from its monitoring activities.	6	6	-2

**Comment:** With the advanced transparency requirements towards suppliers and the publication of the production guide, Nudie Jeans had to gain full insight into all production locations, including subcontractors. A supplier transparency agreement is signed by the supplier and Nudie Jeans disclosing all factory information, number of workers and subcontractor information. After one audit conducted by FWF, possible subcontractors were identified. Nudie Jeans investigated whether their orders were produced at this location, which was not the case. Nudie Jeans visits all suppliers and given that it is aware of the exact capacity of suppliers and their production lines, the brand knows if all production for Nudie Jeans takes place at the specific locations. Nudie Jeans also started moving up the supply chain by commencing auditing of a fabric suppliers.

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1
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**Comment:** Nudie Jeans' implements coordinated efforts between the CSR manager and the Manager of the Product Development Department. Production staff are informed about the outcome of audits continually and are briefed by the CSR manager before visiting suppliers. Buyers and product managers also often observe audits.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2

**Comment:** Nudie Jeans communicates about FWF through the company website and the company catalogue. Membership is described in correct wording. Moreover, a booklet comes with every pair of Nudie Jeans with a section about FWF membership. At the collection release twice a year all sales agents & distributors are informed about FWF membership.

6.2 Affiliate engages in advanced reporting activities	Yes	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	1	0
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**Recommendation:** FWF recommends to review the audit summaries that are part of the production guide again and update where necessary. FWF can assist in drafting a summary of the most important findings. The brand performance check which is published on Nudie Jeans' website can be updated to this version.

Comment: Nudie Jeans developed a production guide in 2013 as part of their 100% transparency challenge. The production guide includes all suppliers with factory addresses and a summary of audit results. On request, Nudie Jeans sends the complete audit report. The brand performance check report is also published online, although it is the 2012 report. The social report also includes the production locations.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for brands to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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## TRANSPARENCY

Possible Points: 4

Earned Points: 4

## 7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: An annual meeting takes place to determine strategy with the owners of the company. CSR priorities are set in cooperation with the production department and CSR manager. It is the responsibility of the CSR manager to make sure that the feedback from the agents and suppliers is taken into account and evaluated. When writing the social report Nudie Jeans also evaluates FWF membership progress.

7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate	No requirements were included in previous Check	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Adherence to these requirements is an important part of FWF membership.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	8	-4
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## EVALUATION

Possible Points: 2

Earned Points: 2

## RECOMMENDATIONS TO FWF

Nudie Jeans would appreciate better presentation of the Workers Information Sheet.

Moreover, if a brand representative is present during an audit, it would be helpful to schedule additional time for discussion during an exit meeting. It would be of added value to have the audit team around when the brand negotiates with factory management on a time frame for the improvements.

Nudie Jeans indicated the benchmarks used in the FWF wage ladder in some cases are not comparable among different factories as the benchmarks used per country use different methodologies to calculate a living wage. In some cases Nudie Jeans feels the estimates from stakeholders do not match the reality; as this is often also what management does not find it realistic, it makes the discussions complex.

Last, Nudie Jeans has shared recommendations regarding the use of the database and indicating the FOB amounts on subcontractor level.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	32	40
Monitoring and Remediation	19	26
Complaints Handling	9	15
Training and Capacity Building	9	11
Information Management	7	7
Transparency	4	4
Evaluation	2	2
Totals:	82	105

BENCHMARKING SCORE (EARNED POINTS ÷ POSSIBLE POINTS)

78

PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

13-05-2015

Conducted by:

Annabel Meurs

Interviews with:

Joakim Levin (CEO)

Henrik Lindholm (CSR Manager)

Sandya Lang (CSR Manager)

Peter Frank (Product development manager)

Andreas Åhrman (Marketing)

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data. Future Brand Performance Checks will include improved usability and transparency for audit data.