



BRAND PERFORMANCE CHECK

Nudie Jeans Co.

PUBLICATION DATE: MAY 2016

this report covers the evaluation period 01-01-2015 to 31-12-2015

ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of 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. They evaluate the parts of affiliate supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

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.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with affiliate employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

Nudie Jeans Co.

Evaluation Period: 01-01-2015 to 31-12-2015

AFFILIATE INFORMATION	
Headquarters:	Göteborg, Sweden
Member since:	01-11-2009
Product types:	Fashion
Production in countries where FWF is active:	India, Romania, Tunisia, Turkey
Production in other countries:	Italy, Lithuania, Poland, Portugal, Sweden
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	98%
Benchmarking score	89
Category	Leader

Summary:

Nudie Jeans meets most of FWF's management system requirements and goes beyond some of them. 80% of Nudie Jeans' total 2015 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 98% of its 2015 purchasing volume and therefore meets FWF's monitoring threshold.

Nudie Jeans also have own staff in Portugal and Italy that are in close contact with the production locations in these countries. Moreover, Nudie Jeans also conducts audits in low risk countries, and in this way goes beyond the minimum requirements. The independant auditor has attended FWF seminars and uses the FWF reporting template. This, in addition to the high leverage at suppliers and the stable relationships with suppliers, gives Nudie Jeans a strong basis for effectively monitoring and improving working conditions.

In 2015 Nudie Jeans adapted its production planning, that resulted in better forecasting and estimation of quantities. Nudie Jeans received feedback from suppliers that this facilitates their production planning, though it is too soon to see the actual impact on working hours/excessive overtime. Nudie Jeans can take further steps by anticipating local holidays when planning orders, to reduce excessive overtime.

The company has taken steps to increase wages at one supplier in India; an approach that is being implemented in a second factory in India as well. Nudie Jeans publishes 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.

The member company is encouraged to further train local staff in Italy and agents in Turkey to monitor more closely monitor production locations in Tunisia and Turkey.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for affiliates who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

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	64%	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

Requirement:

Comment: Nudie Jeans has a consolidated supplier base with a contained number of suppliers where they have high leverage. 64% of its 2015 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	57%	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.	3	4	0
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Comment: Nudie Jeans maintains a long term relationship of over 5 years with suppliers that account for 57% 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: All new suppliers 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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Requirement:

Comment: In 2015 Nudie Jeans visited potential new suppliers in Turkey, Tunisia, Italy and Portugal. The member company started new collaborations with suppliers in Italy, Portugal, Poland, India and Turkey. In Turkey a FWF audit was conducted before the main production started. 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 information 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. When there is an existing audit report, Nudie Jeans checks during the visit what has been implemented of the findings. Visiting staff also uses the basic health and safety checklist, and assesses general points for improvements and possible risks. The visits are normally together with the CSR manager, buyer and head of product development, jointly presenting the company's profile. Findings from this process are documented and shared with the factory as well as all relevant staff at Nudie Jeans. This process has also been followed for the new Turkish supplier. Because of the high ranking on CSR, the production and CSR department together decided to start a business relationship with the Turkish supplier. Shortly after the start of their relationship with the new Turkish supplier, Nudie Jeans organised a FWF audit to get a full assessment of the labour standards. For the newly selected Indian supplier an audit was scheduled for the same year as well.

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 are involved in the evaluation. CSR performance is equally important next to production criteria. Looking specifically at the willingness of suppliers to improve on social compliance. 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 staff.

In 2015 Nudie Jeans ended their business relationship with two supplier in India. one relationship was ended because of production reasons, the second one was terminated because of lack of commitment. The company discovered that the supplier produced their orders at a different location than visited/audited. Nudie Jeans moved the orders to another supplier who was performing well on CSR. 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.

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: In 2015 Nudie Jeans changed production planning because the company felt that they could not have the orders in time. The member decreased the sales period, and placed orders earlier. This created more lead time for production. The new production planning also resulted in better forecasting and estimation of quantities. Nudie Jeans received feedback from suppliers that this facilitates their production planning, though it is too soon to see the actual impact on working hours in the factories they work with.

Generally Nudie Jeans' order placement system includes several instruments to ease pressure on factories. Nudie Jeans blocks fabric and blocks orders to facilitate good planning with the suppliers. The member company never has late changes given that the design and styles do not change after sales samples are done. 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 for jeans, which means that orders are placed throughout the year.

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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Recommendation: FWF recommends Nudie Jeans to anticipate local holidays when making the production planning. For instance in India excessive overtime often can be related to holidays before an order deadline. Booking orders earlier helps to facilitate their planning.

Comment: Two out of 3 audits conducted by FWF teams in 2015 showed excessive overtime during peak time. 80% of Nudie Jeans' 2015 production volume is 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. In some cases Nudie Jeans pays an advance to release the fabric and start production when they anticipate that there will be a delay. 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 orders will be moved around 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: FWF encourages Nudie Jeans to participate in the living wage pilots that start in 2016 to further analyse the impact of own pricing to labour costs and living wage benchmarks.

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. Nudie Jeans discussed this with their suppliers but didn't succeed, because suppliers do not want to open up about that.

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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Comment: One audit in December 2015 of a supplier in India showed that workers were paid statutory minimum wages of unskilled workers even while they were doing skilled, semi-skilled and highly skilled jobs. This is not in compliance with law. Workers should be categorised as per their skill level. The remediation of this finding started in 2016, as the audit report was sent to Nudie Jeans in January 2016. Nudie Jeans contacted the factory about it. The issue has been remediated, and will be followed up with a visit of the local team to look into the documents, instructed by Nudie Jeans headoffice in June 2016.

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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Recommendation: FWF recommends Nudie Jeans to raise the wages in the piloted factories by amount, and not by percentage, to ensure that the grading scale does not escalate. The workers committee should be involved in explaining the concept of living wages to the workers. To assess the concrete impact of Nudie Jeans' pilots, FWF encourages Nudie Jeans to carry out an evaluation of the wage levels in the piloted factories.

Comment: 80% 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. A priority list which estimates the wage gap per supplier is used to initiate dialogue with priority suppliers. Nudie Jeans discussed this approach with another factory in India. This factory did not want to work with this approach, as they think that talking about this extra payment in terms of wage might create unrest between skilled and unskilled workers. Please see recommendation.

At the end of 2015 a shirt supplier in India was selected where Nudie Jeans is going to pay their share of living wages. 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: 33

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	18%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	80%	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	98%	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. The CSR manager is involved in the ongoing evaluation of all suppliers in both high and low risk countries.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Advanced	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.	8	8	-2
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Comment: Nudie Jeans has made several steps towards resolving corrective actions from audits. The 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 2015; documents and pictures are filed in the CAP and the status of findings monitored during visits. Nudie Jeans could show remediation of various findings at one of their Indian suppliers that were audited in 2015. The CAP included pictures as evidence.

For another Indian supplier where restriction of movement is a risk, Nudie Jeans consulted with Impactt and actively tried to involve other brands in remediation. Three production locations of the supplier have received a FWF WEP training. Nudie Jeans visited the supplier together with another member in November 2015, where they met with the topmanagement and csr manager and the spinning mill manager. Nudie Jeans made a short summary for the spinning mill with improvements points focusing on recruitment of girls and dormitory conditions. The impact of these efforts are being verified in a FWF verification audit in April 2016. On it's own initiative, the supplier enrolled for an ETI programme that includes training, monitored by SAVE, a local NGO. Nudie Jeans has checked wheter the contents of the training cover the most urgent issues.

As a follow up from the audit in September 2014 at their largest Tunisian supplier, Nudie Jeans started to enroll them for WEP trainings in 2015. Because of the large workforce, these trainings will continue in 2016, and only count for the next Brand Performance Check. The Collective Bargaining Agreement has now been posted by the factory, and commmunication with workers has improved, health and safety findings have been resolved and apprenties are registered - though this last remediation still needs to be verified during a visit. Nudie Jeans organised a WEP training for four production locations in total, excluding the training that has not been finished yet in Tunisia. Enrollment for the WEP can be considered a next step in remediation of complex issues such as overtime, freedom of association and wages. As 80% of Nudie Jeans 2015 volume comes from low risk countries, the member company invested in additional monitoring of suppliers in low risk countries. In Italy and Portugal Nudie Jeans worked with a CSR consultant to audit those locations. This consultant has attended FWF seminars and uses the FWF reporting template.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	95%	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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Recommendation: Nudie Jeans staff in Italy visited the Tunisian suppliers but only for production and not to discuss CSR. FWF recommends (Italy) staff of Nudie Jeans to use the FWF Tunisia country study information, and discuss country specific risks.

Comment: Production locations are often visited, including subcontractors and spinning mills. Discussing labour standards and monitoring working conditions is part of the visit.

2.4 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	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.	3	3	0
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Comment: Nudie Jeans has collected existing audit reports as part of sourcing new suppliers, for both high risk and low risk countries. In Lithuania two sites were audited, including a subcontractor. Nudie Jeans visited together with a translator to discuss mostly health and safety findings. It has been difficult to get replies from them over email. When starting production a FWF audit is always scheduled within the same year, where FWF audits are available.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was 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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Requirement:

Recommendation: FWF recommends Nudie Jeans to further investigate the risks related to freedom of association and subcontracting in Turkey by clearly instructing their agent, and to discuss possible solutions for short-term contract issues in Tunisia.

Comment: The choice to source mostly in low risk countries has been a deliberate decision with working conditions taken into consideration. The company is well aware of the risks in India associated to young girls working abroad away from their families, and therefore has teamed up with Impactt. Nudie Jeans enrolled three production location of the Indian supplier where restriction of movement was an issue, into the Workplace Education Programme. The company visited the supplier together with another member and discussed remediation plans with top management, including management from the spinning mill. During this visit Nudie Jeans already could see some improvements; for instance that the workers have mobile phones, lockers to keep them, charging areas for mobiles. During the FWF audit in April 2016, the remediation will be verified. In Turkey both suppliers have been visited by Nudie Jeans. The company sent them the letter about Syrian refugees. Both suppliers have been audited by FWF,

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Bangladesh	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	N/A	3	0
2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Myanmar	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	N/A	3	0
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

Comment: Nudie Jeans took the lead in the remediation plans at the supplier in India that is shared with several other FWF members. The company teamed up with another member in these efforts, and actively involved non-FWF members and updated them about next steps. Nudie Jeans shared information with another FWF member sourcing at a shared supplier. The company shared audit reports and information regarding the Restricted Substance List.

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, and in this way goes beyond the minimum requirements. In Portugal the main challenges of 2015 have been a lack of commitment and difficult communication. In Italy and Portugal Nudie Jeans worked with a CSR consultant to audit suppliers. This consultant has attended FWF seminars and uses the FWF reporting template.

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.	External production data in FWF's information management system. 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: 29

Earned Points: 26

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	1	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	0	
Number of worker complaints resolved since last check	2	

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 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.	83%	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.	4	4	-2
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Comment: From the three FWF audits in 2015, two audits showed that interviewed workers were aware of the helpline. Additionally, WEPs were organized in three production locations, these also count towards the indicator, because the WEP informs workers about the FWF helpline.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes + Preventive steps taken	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.	6	6	-2
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Comment: Nudie Jeans has responded adequately after a complaint was submitted. When receiving a complaint Nudie Jeans immediately has an internal meeting to set a strategy as complaints are handled differently depending on the situation. In most cases Nudie Jeans informs their supplier directly that a complaint has been filed and try to give all details without disclosing sensitive details about the complainant. In some cases the supplier will then investigate the complaint further, in other cases, or as a second step, Nudie Jeans will visit the supplier directly. In certain cases the member company involves their local production team or a NGO that they collaborate with. A direct visit will usually be accompanied by an external consultant or a FWF audit team.

Nudie Jeans documented all received complaints in order to try to draw conclusions about common issues between them, finding root causes, and analyzing their own role as a buyer. However, the complaints are very different in nature until now. After audits Nudie Jeans always suggests suppliers to enroll in WEP, using audit results as a convincing instrument. In this way Nudie Jeans works towards prevention of further complaints and encourages better dialogue.

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 two complaints with suppliers in India, both are shared with other FWF members.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 15

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: Nudie Jeans organizes biannual presentations on CSR including the FWF membership for all global sales staff.

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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Recommendation: FWF recommends that the maternity leave replacement of Nudie Jeans' CSR manager attends the FWF seminar.

Comment: Nudie Jeans participated in a round table in Sweden, organised by FWF for Swedish members. In 2015 Nudie Jeans organised an internal CSR training that included a CSR quiz and concrete CSR cases that were to be discussed. This new interactive format was much appreciated.

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: During 2015 Nudie Jeans integrated the previous agent organisation in Italy into their own organization by employing them directly. This makes information and cooperation regarding CSR issues easier and a natural part of their work. The agents work as Quality Control and with production planning 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. The extra guidelines for Turkey have been discussed with the agents in Turkey during the visit.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	26%	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 supplier in Turkey, 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 and started with the programme in Tunisia.

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: 80% of 2015 comes from low risk countries where Nudie Jeans offers trainings. The remaining 17% is in areas where FWF offers the Workplace Education Programme.

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 9

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	Any improvements to supply chains require affiliates to first know all of their 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

Recommendation: Because unauthorized subcontracting is a common problem in Turkey, FWF recommends Nudie Jeans to train their Turkish agents in 2016 on how to check for possible subcontracting.

Comment: A supplier transparency agreement is signed between the supplier and Nudie Jeans disclosing all factory information, number of workers and subcontractor information. In Italy Nudie Jeans audits subcontractors used for specific prints (jeans pocket prints) as well as fabric manufacturing. In Portugal and India there is a similar set up, and production agents keep track of any new suppliers or subcontractors. They are present daily at the production sites when the orders for Nudie Jeans are being made. Nudie Jeans is aware of the exact capacity of suppliers and their production lines, and therefore can check if all production for Nudie Jeans takes place at the specific locations.

One audit in India showed that a subcontractor was used for the washings, and this subcontractor was included in the monitoring system. The subcontractor will be audited in 2016.

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 continuously and are briefed by the CSR manager before visiting suppliers, and receive a list of questions to check on during the visit. Buyers and product managers also often observe audits. Audit findings of suppliers are also shared via internal news mailing.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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 and trained about CSR cases.

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: On request, Nudie Jeans sends the complete audit report to consumers or other interested parties. The brand performance check report is also published online. The social report also includes the production locations. Nudie Jeans highly values being open towards academic research and is working on increasing traceability.

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 affiliates 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 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. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2
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EVALUATION

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

Nudie Jeans recommends FWF to ensure audit reports are sent on time, and include more detailed information in the CAPs on legislation. FWF should consider to invest more resources into low risk countries; update risk assessments for Italy and Portugal and update the information received from various stakeholders. FWF is advised to make a space available in the online database for members who want to be open about their suppliers towards other members. Finally, it would be good if FWF can reward companies like Nudie Jeans who are going deeper down the supply chain with their monitoring and remediation activities.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	33	40
Monitoring and Remediation	26	29
Complaints Handling	15	15
Training and Capacity Building	9	11
Information Management	7	7
Transparency	4	4
Evaluation	2	2
Totals:	96	108

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

89

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

21-04-2016

Conducted by:

Niki Janssen and Annabel Meurs

Interviews with:

Sandya Lang (CSR Manager)

Eliina Brinkberg (CSR Manager maternity replacement)

Melker Linström (social media & communication)

Andreas Åhrman (Marketing)

Peter Frank (Product development manager)

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.