



**OUR COMMITMENT
TO BEING MORE
SUSTAINABLE
ECONOMICALLY,
AND MORE
ENVIRONMENTALLY
AND SOCIALLY
RESPONSIBLE.**



▶ In April 2014, the textile industry — and the whole world — woke up to an unprecedented disaster at Rana Plaza in Bangladesh. 1,133 people perished and another 2,500 were injured when a building which housed a number of clothing manufacturers collapsed and a lot of people were killed or afflicted in the fourth largest industrial disaster ever known. The photos the world saw showed lots of unsafe and unsavoury work practices and since then a lot more care has been shown by many suppliers and users as to how their clothing is made, where it is made and in fact what goes into the whole supply chain process.

At Arrow Uniforms, we immediately embarked upon a quest to ensure our supply chain was ethically sound, our factories were responsible and committed to the same ethos that we were. This is so that we could look our customers in the eye and say we were in full control of every aspect of our operation. Taking responsibility to care for both the environment and the workers who supply us by looking for and collaborating to drive ethical

We also looked at what we did here in NZ and moved to reduce waste and be more mindful of every aspect of what we did and help spread the word by educating our staff and our customers as to aspects of the business so that everyone could be comfortable about what we did.

We visited the factories we use and inspected them in person. Despite being used internationally accredited inspection agencies there is nothing like seeing the factories yourself to ensure that what we were being told was how it was. Things didn't bode well at one factory we visited when the security guard at the gate was asleep and inside was the closet to sweat shop conditions I have ever seen — so we made the decision not to use them.

Simultaneously, we noticed there was a direct co-relation between factories who had computerised patterns and also computerised cutting. This bizarre observation was quite odd but it seemed that the factories that were progressive and had made the investment in new technology also looked after their staff. So we made another decision not to use factories that didn't have a commitment to harness technology like we did.

This has economic benefits too as computerised patterns are up to 15% better yields than manual laying up of patterns. Computerised cutting is 8-10% more efficient than manual cutting and the whole process combined is up to 9 times faster than the manual version and much more efficient as well. As textile waste on the cutting table is estimated to be around 15% globally of the 60 Billion cubic metres of textile waste generated this is one small contribution we can make to reduce this.

All this along with a much more structured approach to the way we manufacture both in our own factories in NZ and those we partner with off shore has made us more robust in how we manage what we manufacture and more ethically sound.

I am proud to be the owner of a company that has positioned ourselves as we now have and sent the message to those we do business with, as well as those who wish to partner with us, that we won't compromise our principles of what is fair, what is right and what is the best option economically, environmentally and socially.



DES FORD
Managing Director



► CORPORATE SUSTAINABILITY POLICY 2017

In the 21st century business are being asked to do more to solve social and environmental problems. The fashion industry is understood to be the second biggest contributor to pollution after the oil industry. We recognise that we have a role to play to reduce this and that we have a responsibility to design our processes in a way that we are making better decisions. In order to be a sustainable business we must take responsibility for what we purchase, the way our products are produced and delivered and then how they are used and cared for and finally how things are disposed of.

► THE ECONOMIC SIDE

So that we could better understand what sustainability means for Arrow Uniforms we first went about educating our staff.

We joined the Sustainable Business Network and we have enlisted the help of Enviromark. We encourage our staff to actively take part in events that these organisations offer, this extended learning has seen sustainability become an ongoing conversation and driver of decisions at Arrow.

The following initiatives at Arrow Uniforms in the past eighteen months:

To reduce our carbon footprint, we have:

1. Updated the lighting in our Warehouse facility, so that it only goes on when someone is that aisle/area.
2. We partnered with the Hutt City Council to do a waste audit. This resulted in a recycling programme being introduced. Our aim is to reduce what we were sending to landfill by 80% by the end of 2016.
3. During a re-structure in 2015, we considered the locations of our sales staff and the areas they were covering, by changing this structure we reduced our spend on flights by \$100,000 annually. To reduce this further we have now invested in IT infrastructure that will allow us to better communicate within our offices.

4. Moved our warehousing and dispatch from Australia (was in two separate locations) into Wellington.
5. Moved embroidery from Levin to Wellington.
6. We source environmentally friendly cleaning products and coffee.
7. Looked at the packaging we use on our products and some of our suppliers, and in some cases made changes to recyclable packaging.
8. Changed the supplier for our cardboard boxes, these are now made from recycled materials
9. Stared to recycle Courier Bags.
10. Renovated our kitchen and staff facilities to create a modern café style facility, using mostly recycled and upcycled materials.

► THE FACTORY SIDE OR THE HUMAN SIDE

To ensure we better monitor our Supply Chain, we have:

In addition to third party external auditors we now employ a full time auditor, who visits all the factories that we use. In a recent trip to China we removed three factories from our 'approved list'.

In these visits, we are checking for:

Prohibition of Forced Labour: Facilities will not use involuntary, forced or trafficked labour.

Prohibition of Child Labour: Facilities will not hire any employee under the age of 14 or under the minimum age established by law for employment, whichever is greater, or any employee whose employment would interfere with compulsory schooling.

Prohibition of Harassment or Abuse: Facilities will provide a work environment free of supervisory or co-worker harassment or abuse, and free of corporal punishment in any form.

Compensation and Benefits: Facilities will pay at least the minimum total compensation required by local law, including all mandated wages, allowances & benefits.

Hours of Work: Hours worked each day, and days worked each week, shall not exceed the limitations of the country's law. Facilities will provide at least one day off in every seven-day period, except as required to meet urgent business needs.

Prohibition of Discrimination: Facilities will employ, pay, promote, and terminate workers on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs.

► CORPORATE SUSTAINABILITY POLICY 2017

Health and Safety: Facilities will provide a safe and healthy work provide a safe and healthy work environment.

Environment: Facilities will comply with environmental rules, regulations and standards applicable to their operations, and will observe environmentally conscious practices in all locations where they operate.

► THE PEOPLE SIDE

1. Introduced a new policy giving them their birthday off as an additional paid leave day.
2. Renovated and updated the staff lunchroom, providing a space they could feel proud of was important to us.
3. Implemented a suggestion box.
4. Installed a Defibrillator, also available to local our community
5. Recognised that our people are what will make the biggest change, and established a group of 'Sustainability champs'. This group is empowered to recommend and action change at Arrow.
6. Upgraded our Computer system to allow us to further streamline our processes and increase staff engagement.
7. Invested in training our staff in LEAN Principles and started to implement these learnings into our distribution centre. Part of our current strategy planning is to establish a partnerships with organisations that are doing great things here in our community. We have given to ChildFund, Wellington City Mission and other charities.

► THE HEALTH & SAFETY SIDE

The health & safety of our staff at Arrow is very important to us and we are committed to meeting and exceeding the minimum requirements of the new health & safety legislation. We want safety to be a shared value and to become a way of life when working at Arrow Uniforms.

The number of workplace injuries at Arrow are low but we remain focused on how we can eliminate these incidents, through early hazard recognition and identification, risk management and continuous education of all of our staff.

Our approach to health & safety in the coming years will be based on mindful leadership, continuous staff involvement and input, culture and systems.

► THE SUSTAINABLE SOURCING SIDE

Sustainability is increasingly being integrated within our procurement processes to ensure we better understand our supplier's products and services. Over the past year we have revised our Supplier Code of Conduct, Our Quality Control Policy and our QA QC Processes with a focus on sustainable sourcing.

We need to gain greater transparency within our supply chain and our Supplier Code of Conduct will help us addressing sustainability issues with our key suppliers.

In the next year we are focused on implementing the code and will be working with strategic vendors and key supply

chain risk categories to strengthen the relationships with our suppliers and get positive endorsement from them on a joint commitment to sustainability.

► THE CUSTOMER'S SIDE

1. 1. Recognised that we are the 'experts' in this field and that we have a responsibility to educate and encourage change within all of the companies that we work with.

We have started having conversations with our customers that encourage them to start making better choices when choosing a uniform, this may only be a different t-shirt or buttons, but any change is good.

2. Encouraged our customers to use our Uniform re-cycle programme. For those signed into the programme this allows them to return uniforms that staff have finished with, for a fee we launder/repair these and then they are put back into stock for that customer to re-order. This works particularly well for multi-location sites.
3. We are currently working with a nationwide customer who are moving to a new uniform, this will mean that tens of thousands of uniform pieces will become obsolete. Through partnerships we have been able to establish in the Sustainable Business Network we are developing a programme that will see these garments repurposed into useful items and then retailed in the customer's stores.

This ensures that there is a full life-cycle for this uniform. We are undertaking a similar project in Australia, were a potential new customer will have their old uniforms shredded and used as filling in boxing bags.

▶ CORPORATE SUSTAINABILITY POLICY 2017

The customer will then buy back these bags and use them in their staff areas to promote health and wellbeing or as corporate gifts. The boxing bags have a clear panel that allows us to see the fabric inside and gives the customer a great story to share.

4. Washing Instructions: Helping educate our clients about the best way to care for and wash their garments. As between 75-80% of any uniforms lifecycle impact comes from washing and drying process. We aim to encourage best practice on Garment care with Stain Removal guides and clear washing instruction booklets to all our leading corporate customers.

▶ THE COMMUNITY SIDE

We have recently partnered with Greater Wellington City Council and Hutt City Council to launch a competition for designers/students to design a reflective vest.

We have agreed to give the winning designer a two month paid internship at Arrow, along with putting their design into production and working with the Councils to see it retailed throughout NZ. Arrow views this as an opportunity to support the upcoming designers in NZ.

Although we do not have a formal environmental system such as ISO 14001, we are currently working with Enviromark to achieve this and we have achieved Bronze status so far.

When selecting a supplier/manufacturer we scrutinise their qualifications and accreditations and would expect them to have standards such as ISO9000 (Quality Assurance), ISO1400 (Environment), SA8000 (Social Accountability), OHSAS180000 (Health and Safety) and OEKOTEX100 (textile production) or the equivalent of any of these standards.

We have established the following partnerships, that we believe will help us to achieve our Sustainability goals:

▶ Sustainable Business Network (SBN):

The Sustainable Business Network (SBN) is an avenue for us to meet with likeminded organisations who have similar value systems. Through contacts we make in the SBN we are able to access industry experts, we in turn can then partner with these experts to create collaborate projects with our customers.

▶ Earthlink Incorporated (Te Kaporeihana Mahi Papatuanuku):

Earthlink is a Society that collectively work with us in the up-cycling of redundant corporate uniforms. When we receive uniforms through our recycling programme that are for disposal or have been worn as 'second skin' we donate them to Earthlink who up-cycle, and revamp them into trendy garments for distribution or sale.

▶ Enviro-mark:

We are a member of Enviro-mark, and this year we have started improving our processes to achieve credible International recognised environmental certification. We have achieved Bronze status and aspiring for Silver status in 2017.

We have recently installed a Defibrillator available for community use at our Lower Hutt Head Office in Pharazyn Street.

Related documents:

- ▶ Arrow Quality Policy & Associated Audit documents
- ▶ Arrow Supplier Code of Conduct