

# **Case study: Sustainable Procurement**

## **The Story**

Uniforms play an integral role within the representation of brands, organisations, and workplaces. They promote inclusivity, a sense of belonging and can help distinguish people for the service they provide. But what happens to uniforms when they are no longer needed or reach their end of life? Every year, 25 billion garments globally enter landfill.

For every kilogram of textiles that is diverted from landfill, an average of 3-4kg of greenhouse gases are prevented from polluting the atmosphere.

With uniforms being one of the most popular clothing categories, we need to consider their potential to be recycled or repurposed. The design of a uniform is key to this, including types of materials used and their capacity to be transformed into regular/everyday clothing once they are no longer needed

AT uniforms have a wide range of designs and styles to suit a diverse range of roles, from customer service representatives to bus drivers. In the past, AT uniforms were made of virgin, non-recyclable polyesters, such as standard polyesters or uncertified cottons, which did have a high durability; however, most eventually entered landfill.

In 2017. The Auckland Council Group called out for a new uniform supplier, and De Vere Apparel was selected as the successful applicant. De Vere is a New Zealand company that specialises in bespoke, eco-friendly and ethicallymade uniforms, merchandise and PPE. After De Vere took over AT's uniform contract, they strived to further progress their sustainability practices. Business Development Manager Anthony Caines said that "De Vere identified many opportunities throughout the range to transition virgin materials to sustainable/ recycled materials including recycled polyesters, Chief Value Cotton (CVC) or Better Cotton Initiative (BCI) cottons". The recycled fabrics undergo testing and certification

When AT uniforms are no longer wanted or reach end-of-life, they are returned to De Vere who categorize them to either be recycled or repurposed. As of 2021, the uniforms are then sent to All Heart NZ, a charitable trust that assists corporates with improving their sustainability practices. AT has partnered with All Heart NZ in the past to repurpose our corporate furniture. All Heart NZ believes that if we improve on how our 'stuff' is both sourced and disposed of, we can improve the health of our planet and the quality of life of our people who inhabit it. Diverting about 93% of corporate items from landfill, All Heart NZ firstly recycles AT uniforms with the assistance of Upparel - a New Zealand and Australian based textile recovery and waste recycling company. The uniforms get completely shredded and turned into a soft fibre that has several uses, such as cushion or mattress stuffing and sound insulation. Alternatively, uniforms in adequate condition can be repurposed.

All Heart NZ is passionate about social development, social prosperity, and has helped over 466 communities across Aotearoa through initiatives such as second hand-clothing donations, including AT uniforms.

The sole barrier to easy and efficient uniform repurposing is the presence of a logo - the core element of most uniforms. In conjunction with De Vere and with support from All Heart NZ, the 'Design for Circularity' project was developed, which involved the replacement of traditional embroidered logos for silicone patches. In order for uniforms to be repurposed, All Heart NZ volunteers previously needed to manually unpick embroidered logos from the uniforms, which could take up to 10-15 minutes each. In contrast, the new recyclable silicone patches, developed and designed by De Vere, only have a single sewing tract, reducing the logo removal process to under a minute. This significantly improves the efficiency of the upcycling process. The patches are progressively being rolled out across many of AT's uniform pieces.

This ongoing collaboration between AT, De Vere and All Heart NZ sets the standard for good sustainable procurement and presents an inspiring case study of what broader outcomes can look like in practice.

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## **Sustainable Procurement Approach**

The tender for AT and Auckland Council Group uniforms took place in 2017, when there was limited awareness and implementation of sustainable procurement in New Zealand. Within the tender, the Sustainability attribute was weighted at 5% and there was a stronger focus on the other attributes: Methodology, Management Skills and Resources and Track Record. Participants were asked to:

- Supply copies of policies or certifications that their company holds in respect of both environmental recognition (manufacturing; sustainability of products; recycling programmes) and social responsibility (such as ethical working conditions).
- Provide information on recent sustainability success stories in their organisation.
- Inform AT of any sustainability initiatives that they intend to bring to the delivery of the contract.
- Describe what initiatives they have that could contribute to better social outcomes on the project and consider the wider impacts of responsible procurement.
- Explain their processes for waste disposal or recycling garments and equipment, rather than disposing to landfill.

Based on AT's supplier recommendation form. De Vere who were the successful Participant, received the highest overall score for sustainability. The tender evaluation team firstly recognised that De Vere were committed to environmental outcomes. This included a collaboration with New Zealand Business, The Formary, to implement The NZ Textile Reuse Programme - a membership based programme that enables organisations to commit to and support systemic change to a circular system for clothing and textiles in New Zealand. De Vere also already donated unused fabric to charity, schools, and universities, were dedicated to reducing freight emission by using sea freight where possible and had multiple environmentally friendly processes in place within their office.

All AT suppliers are required to meet minimum ethical standards and to actively review, monitor and modify their management processes and business operations to ensure they continue to improve on their ethical standards. De Vere already had an ethical code of conduct to which all the manufacturers they subcontract to must sign, agreeing to take social responsibility and manufacture in an ethical way. De Vere was also already a member of SEDEX and a user of SMETA. These auditing

platforms are essential to ensuring that their suppliers are working in an ethical manner. The majority of De Vere's work is completed offshore with factories located in China, which are regularly audited and if an audit reveals an area to improve, a follow up is undertaken to ensure the necessary change is taking place.

In response to the Request for Proposal (RFP) questions around social outcomes, De Vere committed to contribute to the local community. Team members are encouraged to take one paid day off per quarter to work for a registered charity. De Vere also confirmed they had an employment diversity policy to create a safe, inclusive work environment and ensure that all staff are protected against discrimination of any kind.





"As a business, De Vere wants to push New Zealand forward to a higher standard because it's better for our country. We want to be an early adopter of sustainability innovations and lead as an example".

**Anthony Caines,** 

De Vere Apparel Business Development Manager

"De Vere have been easy to work with. They've done a lot of work to partner with us around our needs and improve both the durability and circularity of materials for our uniforms".

Terri Gannon,

AT Procurement Specialist



5,000 km by ship creates





compared to

6,605kg of CO<sub>2</sub>e

if the freight is carried by plane for the same distance.





## The impacts



The partnership with De Vere has led to a restructure of AT's uniform fabrics. Now, uniforms are produced using sustainable fabrics, including recycled polyesters, CVC or BCl cottons, which have all been tested by <u>SGS</u> under global standards to ensure garments are fit for purpose. Within parking compliance uniforms, De Vere is trialling a new fabric that is a mix of cotton and sorona. If successful, this will be phased in across other uniforms. The cotton/sorona fabric is produced in a closed loop cycle from corn, and the greenhouse gases required to produce it are about 60% less than nylon.

When transporting uniforms to AT, De Vere primarily uses sea freight. Two tonnes of freight carried for 5,000km by ship creates 150kg of CO2e compared to 6,605kg of CO2e if the freight is carried by plane for the same distance. However, as sea freight can take 6-20 times longer than air freight, De Vere and AT have established concise planning and stock management processes to ensure uniform supply levels are adequate, which reduces the risk to AT. De Vere also works with local company 'Better Packaging' to ship the uniforms in home compostable packaging.

## **3** Support for Ethical Employment

Choosing an ethical, diverse range of suppliers is a top priority within sustainable procurement at AT. New Zealand owned companies/ organisations manage AT uniforms at all stages of their life cycle - De Vere during their production, AT during their operation and De Vere/All Heart NZ at their end-of-life. De Vere is New Zealand owned, family operated, and a member of Mindful Fashion, a New Zealand industry collective that aims to strengthen the local clothing and textile industry by promoting long-term sustainable growth through responsible business practice and industry investment. With a commitment to manufacturing all products under humane, safe working conditions, De Vere requires all their garment manufacturers to hold a valid audit in at least one of the following: WRAP (Worldwide Responsible Accredited Production), BSCI (Business Social Compliance Initiative) or SMETA (Sedex Members Ethical Trade Audit).

Carbon Monitoring is now part of De Vere's carbon reduction strategy and aligns with global standards, including the Greenhouse Gas Protocol and ISO:14064-1 (2018). Between January and August 2022, De Vere determined that 954.8 kilograms of uniforms were recycled, which prevented 3,341.8 kilograms of greenhouse gas.

From 2022-2023, All Heart NZ recycled over 1,200 kilograms of textiles including end-of-life AT uniforms. In addition, the new silicone logo patches developed by De Vere can be more efficiently recycled and repurposed, thanks to the reduced logo removal time and less damage to the garment from the unpicking process.

## **2** Community Support

AT uniforms that are repurposed into regular clothing have been donated through All Heart NZ to communities in need. In 2021, over 300 jackets were given away to school children in Northland, after local school principals approached the All Heart Kaikohe store asking for support for their pupils.



Employees at both De Vere and All Heart NZ receive at least the living wage or higher, access to support, learning and development opportunities, and a safe working environment. In addition, there are strategies, plans and policies in place to ensure that there are opportunities for employees from diverse cultural and/or social backgrounds to enter and progress through the organisation. De Vere has broad employee diversity, with staff from all over Auckland and the world and predominantly, leadership roles are filled by women.

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#### **Lessons learnt**



## Improve sustainability weighting within tenders

In the Auckland Council Group uniforms tender in 2017, sustainability attributes were given a 5% weighting. Fortunately, the successful candidate, De Vere, scored highest out of all respondents for sustainability. However, if AT is to remain on track to reach significant sustainability goals, such as reducing Scope 3 emissions and delivering on our Supplier Diversity Strategy, we need to be more intentional and deliberate in our procurement approach. It is important that adequate weighting is given to sustainability criteria to send prospective suppliers a clear signal that AT highly values sustainability delivery through our contracts. Increasing sustainability weightings within future AT tenders (a 30% weighting is recommended, where possible) would help us to achieve our ambitious sustainability goals.

# Take a partnership approach through the lifetime of a contract

The inclusion of environmental and social outcomes as requirements in a tender serves to emphasise to the marketplace and prospective suppliers that these outcomes are important to AT. It sets the foundation for an ongoing partnership between AT and the successful supplier to improve sustainability practices. Suppliers' responses to sustainability questions within the RFP can help AT to understand what work is already being done in this space and inspire and inform ongoing progress towards improving sustainability practices collectively with all our suppliers. This case study is a great example of a partnership approach where AT and De Vere support each other in generating sustainable outcomes; this has been further advanced by involving the social enterprise All Heart NZ within the partnership. The collaboration between AT, De Vere and All Heart NZ inspires us to look for opportunities to achieve further sustainability outcomes by bringing in social enterprises and other 'Diverse Suppliers' into our supplier partnerships.

# Incorporate social sustainability outcomes within tenders.

The sustainability questions related to social outcomes within the tender for Auckland Council Group uniforms were very general and did not detail the specific social initiatives that are particularly material to AT's sustainable procurement approach. Since the AT Sustainable Procurement Action Plan was published in 2021, we have greater clarity on the two social outcomes that we are focussed on throughout our contracts and supplier relationships, and which procurement can have the greatest impact on: Supplier Diversity and Quality Employment. These social outcomes can be delivered either through directly contracting to a diverse supplier or, working with the successful supplier to seek opportunities for sub-contracting to Māori businesses and other Diverse Suppliers through the supply chain and creating employment opportunities for people from Auckland's underserved communities. For future tenders, AT should ensure to include more specific questions directly related to Supplier Diversity and Quality Employment, including asking Participants to:

- Provide evidence of any strategies or plans (with measurable targets) in place to develop pathways for staff from underserved communities to enter and progress through the organisation, support with building skills and capability, and ensure fair working conditions, benefits, and payment.
- State a commitment to provide new employment positions for people from underserved communities and provide information regarding number of employees the organisation intends to hire from each underserved community, and the recruitment and training process.
- Provide evidence of the initiatives the organisation has in place to support AT's supplier diversity objectives and how they intend to engage with Māori owned businesses, or other diverse suppliers.

This will assist potential suppliers within the tender process to understand AT's specific requirements, increase their awareness of the importance of social sustainability outcomes to AT, and generate a more effective and diverse range of sustainable procurement outcomes across contracts and projects.