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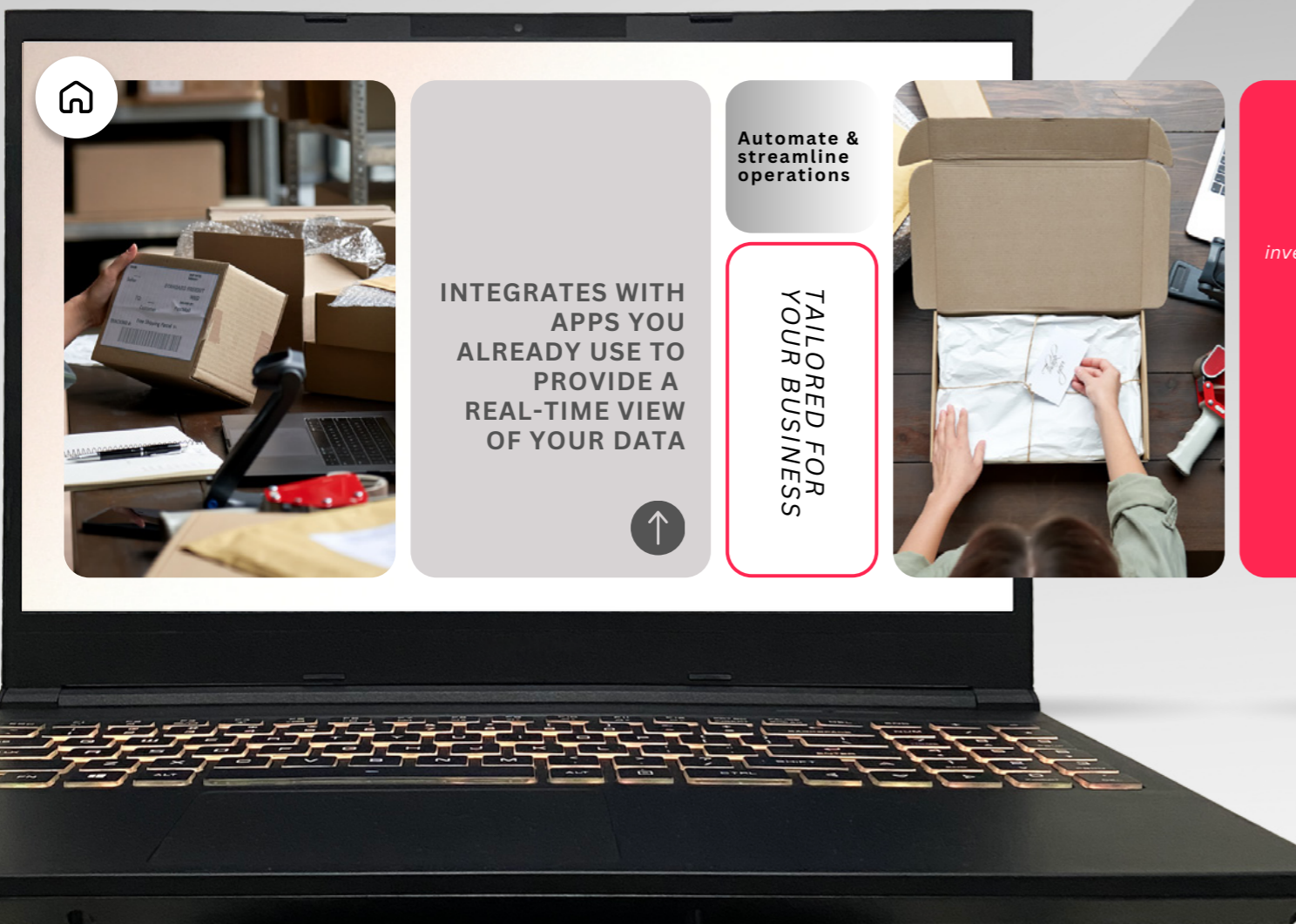
Fashion Supply Chain Report 2023



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bond-eye
AUSTRALIA

“Sync revolutionized our operations. Transitioning from a manual system was a game-changer. It enabled us to onboard new brands seamlessly and drove our growth. I love that the team at Sync values our brand and treats us like a true partner, not just a paying customer.”

Kelly Fulton
Production & Operations Manager
Bond-Eye

How an optimized returns policy can increase profitability

In the competitive world of e-commerce, having a solid returns policy is crucial for customer satisfaction and long-term success. A well-designed returns policy not only builds trust with your customers but also has the potential to improve your bottom line. By addressing customer concerns and streamlining the returns process, you can turn returns into an opportunity to drive repeat purchases and increase customer lifetime value.

“When shoppers feel confident that they can easily return a product if it doesn’t meet their expectations, they are more likely to make a purchase.”

WHY A CUSTOMER-FRIENDLY RETURNS POLICY MATTERS

A customer-friendly returns policy is a key differentiator for online businesses. According to a survey conducted by the National Retail Federation, 67% of online shoppers review the returns policy before making a purchase. A clear and hassle-free returns policy can alleviate consumer anxiety and increase the likelihood of completing a transaction.

1. BUILDING TRUST AND LOYALTY

A customer-friendly returns policy builds trust and loyalty with your customers. When shoppers feel confident that they can easily return a product if it doesn’t meet their expectations, they are more likely to make a purchase. By demonstrating your commitment to customer satisfaction, you can establish

a positive brand reputation and encourage repeat business.

2. INCREASING CUSTOMER LIFETIME VALUE

A well-optimized returns policy can lead to increased customer lifetime value. When customers have a positive returns experience, they are more likely to make repeat purchases from your store. In fact, a study by Narvar found that customers who had a positive returns experience spent 15% more on future purchases compared to those who had a negative experience. By making the returns process seamless and convenient, you can encourage customer loyalty and drive additional revenue.

The easiest way to optimize your returns policy, is by selecting a returns platform or vendor that aligns with your business goals.

WHAT AN OPTIMIZED RETURNS PROCESS SHOULD LOOK LIKE

Integrating your ERP into the return platform allows for a seamless flow of return

information between systems. As returns or exchanges are created online, they should flow automatically into your ERP. This provides your warehouse or 3PL with the advanced electronic documentation that they need to seamlessly return the products back into sellable inventory. The aim is to speed up the process of receipt and resale so that you can convert the returned inventory back into a new sale.

Once the return is received back into your ERP, it updates the return status in your return platform to automatically initiate the refund.

Optimizing your returns policy is a strategic approach to improving your bottom line. By investing in a customer-friendly returns policy, you can build trust, increase customer lifetime value, and drive profitability.

Get ready to elevate your business to new heights and secure not just sales but long-term clients in the process.

Happy optimizing! ●

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Peter Booyens
CEO, iSync

Supply lines

RMIT PROFESSOR **VINH THAI**, WHO SPECIALISES IN ACCOUNTING, INFORMATION SYSTEMS AND SUPPLY CHAINS, DETAILS THE KEY MOVEMENTS IN SUPPLY CHAINS THIS YEAR AND WHAT HE EXPECTS AHEAD.

LOOK BACK AT SUPPLY CHAINS IN 2023

As 2023 has drawn close to an end, it's now time to look back at how supply chains have unfolded throughout the year. Despite the hope that 2023 would be more stabilised in the aftermath of the COVID-19 pandemic with fewer supply chain problems as businesses have resumed normalcy in most countries, the year has turned out to be no less rough than the previous one. While COVID-19 infection cases are no longer an issue of global concern, shipping, specifically the container freight rate index, has come back more or less to the pre-COVID level, and congestion in major ports has been relieved, some key supply chain issues remain, while new ones have emerged.

The war in Ukraine, which broke out in February 2022, has put a lot of strain on the global economy, leading to rising fuel and food prices, and making world economic growth slow down, from 6.1% in 2021 to 3.5% in 2022, 3% in 2023 and 2.9% in 2024, well below the historical (2000–2019) average of 3.8%, according to a report of the International Monetary Fund. Despite more than 20 months with lots of damage on both sides, there is no clear indication that this war will end any time soon with both Russia and Ukraine being firm on their stance. These countries are the two main suppliers of key commodities, such as wheat, rapeseed oil, metals, oil and gas, to many countries around the world.

The existing political turmoil is also intensified by the ongoing military standoff between Israel and Hamas-led Palestinian forces in Gaza, in the aftermath of the Hamas' attack on Israel in October. Similar to the Ukraine-Russia war, this war in the Middle East is showing no sign of cooling off. Although Israel and Palestine are not major oil-exporting countries, the prolonged war in this region may have a tremendous impact on oil price, especially with the prospect that other Arab countries may be pulled in, and thus may impose restrictions on their oil production and export capacity in retaliation. Together, this may create havoc

in the global oil price, leading to economic and social turmoil given that oil is an essential input in the price of daily commodities.

Given Australia's high level of trade dependence which, in turn, relies on the world's peace and stability, together with the country's geographical position that puts import and export heavily dependent on externally controlled shipping, any disruption in the maritime supply chain including shipping and ports both within and outside Australia would potentially lead to economic and social impacts. Unfortunately, there have been port congestion problems impacting Australia's supply chains. Meanwhile, a recent cybersecurity incident in November forced ports operator DP World Australia to suspend operations at ports in several states. The occurrence of these events led to longer delays, increasing time, costs and reduced competitiveness of shipments for shippers.

WHAT TO EXPECT FOR CHRISTMAS THIS YEAR

Around the world, consumers in many countries are experiencing an increased cost of living, contributed by supply chain issues, increasing interest rates and inflation, which is partially attributed to the volatile oil price due to geopolitical tensions. Given that there has been no positive sign of easing regarding the ongoing military conflicts,



“Given that there has been no positive sign of easing regarding the ongoing military conflicts, retailers and consumers would need to expect a not-so-pleasant Christmas this year.”

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With the current volatile business environment being affected by evolving geopolitical tensions, it is expected that the ongoing high inflation is not going to be resolved before the end of this year. Together with the ongoing supply chain issues such as port congestion and labour shortage, these may lead to the price increase of some key household commodities.

A VISION FOR SUPPLY CHAINS IN 2024

The year 2024 will still present the VUCA (volatility, uncertainty, complexity, and ambiguity) business environment. The global supply chains are still fragile, subject to various global socio-economic and geopolitical stability. Some trends that are noteworthy include:

- The push for supply chain technology adoption and investment in digitisation will continue, with online

ordering being the push factor. This comes with the threat of cybersecurity as cyber criminals may ramp up their activities given the increasingly digitised supply chain. A thorough cyber risk assessment will need to be conducted and preventative measures will be taken.

- The focus on supply chain sustainability and circularity will be increasing to achieve corporate ESG initiatives. This means Scope 3 emissions will be ever scrutinised.

- Agility and resilience will continue to be the nucleus of supply chain management, leveraging firms' disruption and risk management capability.

Embracing the challenges in 2023, Australian retailers should continue to step up their supply chain resilience capability in 2024 and beyond and start developing their antifragile supply chain management in order to thrive under uncertainty. ●



Cutting impacts

MJ BALE HEAD OF BRAND **JONATHAN LOBBAN** REVEALS HOW IT IS REDUCING METHANE EMISSIONS IN ITS SUPPLY CHAIN BY UP TO 80%.

Livestock is the third-largest source of greenhouse gas emissions in Australia, just behind energy and transport. This is according to the Department of Primary Industries, which further notes that agriculture contributes about 14% of New South Wales' total greenhouse gas emissions, with livestock methane accounting for over 80% of that.

But this isn't the only reason why MJ Bale began feeding sheep with asparagopsis seaweed to reduce methane emissions in its supply chain. The other catalyst was the Black Summer bushfires in late 2019.

"In about August/September 2019, there was a fire up on the mid-North Coast that was getting closer and closer to our farm partners in New England," MJ Bale head of brand Jonathan Lobban says. "There was no grass on their paddocks, and suddenly it was very Armageddon-like. The sun was this little orange spot in the sky because the air was filled with smoke.

"Emotionally, it was tough to watch them go through this. Farmers were spending \$50-\$60,000 a month to feed their flock of Merino sheep."

"So Matt Jensen, our CEO, said, If we lose our farms, we lose not just our fibre, but communities of wool growers."

And so, MJ Bale commissioned a scoping study into its greenhouse gas emissions, led by environmental scientist Andrew Moore. According to Lobban, Moore isolated a two-piece MJ Bale merino wool suit for the initial study, with early numbers indicating that 52% of all its emissions (just the jacket and trousers) were coming from the farm itself.

"We were gobsmacked," Lobban says. "The methane emissions formed a large part of the emissions."

Serendipitously, in the same year of 2019, Lobban met up with an old friend named Sam Elsom, who started a seaweed farm in Tasmania called Sea Forest the year before. Elsom is also a former fashion designer for The Upside.

"What Sam had done was taken the CSIRO science out of the labs, which showed that if you fed merino sheep asparagopsis seaweed supplemented at 0.2% of their daily diet, that it would reduce methane emissions by up to 80%," Lobban says.

MJ Bale was hooked and secured a partnership with Sea Forest. The next step was a phone call to Simon Cameron at Kingston Farm in Tasmania, MJ Bale's single-source wool partner since 2015.

"We actually took the very first seaweed that came out of Sea Forest, and by about July 2020, we began feeding it to 48 merino sheep, 300 days consecutively. And then shearing was in June 2021."

From those 48 sheep, MJ Bale accrued 105 kilograms of greasy wool, with 75 kilograms of that being sent to its Italian-based fabric mill Vitale Barberis Canonico (VBC), who weaved the wool into tailored garments.

Lobban reveals that in a discussion with Jensen, the pair realised they didn't want to send all this wool overseas as the transport emissions would defeat the purpose. So they sought to get some of it locally processed, spun and knitted into garments, as well as transported through a climate-friendly method.

"We transported it using this sailor called Two Dogs,"

Lobban explains. "We cycled 30 kilograms of this methane-reduced wool out of the farm, sailed it up the east coast of Tasmania and across the Bass Strait in an engineless sailboat. Because the purpose was to have a zero carbon footprint, really."

This then produced a selection of hand-knitted knits. Lobban says his team has about six of them, which were being quality testing.

"One of our quality tests we're doing is Two Dogs, our sailor, he's sailing at the end of this month (March 2023) from Sydney to Alaska," Lobban says. "He's going to hand off one of our knits to a special person in Alaska as a gift."

"In terms of in store, we think that it'll be more like July, August for the knits, and then we'll hopefully have the cloth that VBC is making from the methane-reduced wool, which is being made in our Japanese workshop into blazers, and we're hoping to have that in stores by September."

Looking ahead, Lobban says this was just the beginning. Following the yield from the 48 sheep in 2021, MJ Bale put 500 sheep on the asparagopsis seaweed at Kingston Farm.

"Now, that yielded 1.3 tonnes of methane-reduced greasy wool," Lobban says. "And then one tonne went to VBC, and we've got 350 kilograms, so we're going to do the same journey all in regional Victoria and Tasmania. But we're about to make an announcement with a leading Australian university to make this wool into knitwear here in Sydney."

"In terms of our linen shirts, we're now working with a single farm in Normandy (France), and those shirts will be coming out in July, August this year." ●

Recycling supplies

IN THIS PANEL DISCUSSION, DECJUBA HEAD OF SUSTAINABILITY **KATE CARROLL**, WITTNER CEO **CATHERINE WILLIAMSON**, MICHAEL HILL HEAD OF SUSTAINABILITY **KERRIE HOCKLESS**, AND RMIT PROFESSOR **ALICE PAYNE** SHARE RECYCLING INITIATIVES ACROSS APPAREL, FOOTWEAR AND JEWELLERY.

DECJUBA HAS A SUSTAINABILITY ROADMAP TO 2025. LOOKING SPECIFICALLY AT CIRCULARITY, ONE OF THE INITIATIVES IS AROUND PURPOSEFULLY RECYCLING DENIM. CAN YOU TELL US MORE ABOUT THIS CATEGORY AND HOW THE PROCESS WORKS?

Kate: Through our sustainability strategy, the shift towards circularity is a really key outcome that we're striving towards. So our denim recycling program was really an opportunity for us to dip our toes in the water, so to speak, of circularity. For us, this program works both online and in-store. So I think the really great thing about this program, and the partnership that we have with Upparel, which we commenced back in August 2021 is the fact that our customers are able to recycle their denim, both online - it's accessible to customers across Australia and New Zealand. Even regional areas as well, they're not limited by just where our stores are located. So they can order an online parcel satchel, and then they can fill their denim and send it directly to Upparel for recycling. Otherwise, that customer can drop off their denim in-store and then our team will send it directly to Upparel for recycling. And I think the really great thing about this program

is the fact that we're supporting textile recycling here in Australia and New Zealand.

CATHERINE, WE KNOW THAT AUSTRALIANS GENERATE 200,000 TONS OF APPAREL EACH YEAR. WITTNER DOES SHOES. WHAT IS THE RATE FOR SHOEWEAR?

Catherine: It's 110 million pairs of shoes coming to Australia every year. And 1% is recycled.

WHAT IS WITTNER DOING TO CHANGE THIS?

Catherine: We do a range of things. One of the things we just did was we sat down and took a look at our business operation. We're all used to looking at customer journeys, and we wanted to look at the product lifecycle journey, beginning with design. We're a leather business, so we've partnered with Leather Working Group. We have a strong relationship with them and made KPIs on that. But also, we said if we were going to use other materials, we wanted to look at recycled. So recycled satin, we did recycled PVC plastic bottle collection. And I think the other thing we looked at was just to make sure everything was durable and practical. So for us, we were testing everything for at least a fortnight. So we have a lot of very lucky people in the office who are running around in different shoes for durability.

And then the other thing we assessed was how do we change our business models so we've got not as many options, less edits, curate it, and we've actually then started 3D program to show us how it works. So that at every single process along the way, how do we have less impact? And then, the samples that are developed at the office that we actually have half a shoe or a pair of, we will collaborate with Save Our Soles to have them recycled. So where we're not able to donate, we're giving it another life such as Thread Together or Fitted For Work. These great organisations are able to complete the circular model.

KERRIE, WE OFTEN THINK OF APPAREL AND FOOTWEAR IN CIRCULARITY DEBATES. WHAT IS THE IMPACT OF VIRGIN MINED GOLD ON THE ENVIRONMENT?

Kerrie: Look, it's not perfect by any sense of the word. We at Michael Hill are a member of the Responsible Jewellery Council, which is a really big governing body that you have to become a certified member of. It's a really laborious process of joining, and means that you can only then mine from specific mines. A big part of our strategy is shifting towards recycled gold. I mean, we're very lucky to be in an industry where our products never decay. So precious metals - silver, gold, platinum - can be reused



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over and over again. But sadly, our industry doesn’t do that enough. So as a business, we’re making a really big shift to make recycled content part of our business, but also selecting mines that have the least impact on the environment.

KATE, DO YOU HAVE ANY OTHER CIRCULARITY INITIATIVES UNDERWAY AT DECJUBA?

Kate: We are certainly looking to build on our partnership with Upparel, and close the loop for customers. So we’re really keen, we’re really excited as well around their new product with UPTex, and we’re really working towards how we can incorporate that back in store so that customers can see that loop being closed. That their jeans are just being dropped off, and then disappearing into the ether or stockpiled somewhere, but instead there is a really valuable product that has been created as part of that recycling process. And it helps us you know, to use a product outside of other materials that would have been used in our in our stores. So we’re really looking forward to being able to build on our partnership. We also looking at it from very much a downstream perspective, but also from an upstream perspective, looking at recycled content in our products is another really important area of focus. So we have our Decjuba Future initiative, which is really a responsible sourcing program. We’re also signed up to the Textile Exchange material challenge, focusing on recycled polyester. So our target there is a percentage of the polyester that we use will be from recycled sources. But

we’ve set a really high benchmark for our Decjuba future program. So we recognise Decjuba future products as products that contain 80% or greater of responsibly sourced materials such as recycled polyester or recycled synthetics.

CATHERINE, ARE THERE ANY OTHER UNIFIED APPROACHES IN THE FOOTWEAR SPACE? WHERE IS THERE ROOM TO IMPROVE AS AN INDUSTRY?

Catherine: We would like a call to arms in general. Very much as I heard today, and in general, it’s amazing to hear the apparel team united with brands, industry and research. But I feel like we are a little bit behind in footwear in particular, in terms of what that can look like, and having a unified approach, that’s for sure. But like I mentioned before, there are some things that we’re doing that are very similar to Kate. For us, it’s that for the 100 per cent of materials that we might use, there should be some form of circularity or recycled. In the leather, we are at 90% of Leather Working Group certified supply. If we can get to that 95%, it would be amazing. It’s an onward journey.

KERRIE, MICHAEL HILL LAUNCHED RE:CYCLE THIS. HOW IS THAT PROGRAM PERFORMING SO FAR?

Kerrie: Yes, in April, Michael Hill launched its first consumer recycling program, where we invite customers to bring any broken, old or damaged gold jewellery into the store and we recycle it and give them a bespoke valued gift card voucher in return. We use the stock price of the day



and give them 95% of the value back of their gold product into a Michael Hill gift card. In about four months post-launch, we’ve seen \$200,000 worth of gold come through the door. We’re expanding the program to New Zealand and Canada to become a global program. We know through research that for every one gram pure gold - obviously different alloys, so 9, 18 and 24 different alloys - but every one gram of pure gold we can push back into recycling engineered products saves around three tonnes of mining ore and 16 kilos of carbon emissions. The program’s been really well received by our stores, they love having another touch point to invite customers back. They love getting the customers back

in the store. We are the first jeweller globally to launch this on a global scale. So we are really proud of leading the industry in this and now we’re seeing phenomenal results. So much so that we’re currently working on a diamond trading program. As I said, we are really the only industry in the world where you can buy something of value and get almost the exact same value back at the end of life. So we see that as a huge opportunity for our business.

ALICE, WE KNOW CLOSING THE LOOP REQUIRES A NATIONAL, UNIFIED APPROACH. WHERE ARE THE SHORTFALLS IN RECYCLING GARMENTS CURRENTLY AND WHAT TECHNOLOGY OR SYSTEMS DO

YOU BELIEVE ARE NEEDED TO CREATE A SCALABLE SOLUTION?

Alice: So if you think about what’s needed for recycling at scale, we need three things. We need an efficient collection aggregation system, we need the ability, the technologies to process that material, and we need the end markets who want to take that material and will pay for it. So all three needs to be addressed systemically, really. Now in terms of the collection approaches, we have all manner of collection networks across the country that are already very efficient at aggregating clothing for reuse, for example. Now, in the second part, that technology space, the thing we haven’t called recycling for since the Industrial Revolution - that’s a

known technology - this chemical recycling that’s scaling up and indeed here in Australia, we have one of the first chemical recycling plants globally, which is hugely exciting. That last piece around the end markets, that’s really about when you have a coordinated scheme, when you have globally industry coming together and saying we need recycled content in our clothing. Well, then we have that pull factor. So really, you need all those pieces together, and this is why a national harmonised approach is so crucial. Now, for me, the big missing piece onshore now is really effective sorting, so sorting for reuse, and sorting for recycling. There are technologies in place around the world, and there’s innovations here we’re

exploring as well, but that’s one thing you can see a hub in every city to kind of get that material to the recyclers in the form they want it.

WHAT ARE YOUR PREDICTIONS FOR 2030?

Alice: We’re seeing our entire society having to transform very suddenly through necessity as well. And so I think that we’re going to see a race globally for that transformation piece. And that’s going to flow throughout the entire economy. So I feel that we do have those technologies in place already. It’s just about now getting the business models right. And that’s where the de-risking piece that this Seamless initiative can do can help support that. ●



The right shore

HOW IS CUE DRIVING LOCAL MANUFACTURING IN A TOUGH CLIMATE?
EXECUTIVE DIRECTOR **MELANIE LEVIS** REVEALS HER INSIGHTS.

In 2007, the local garment and garment-related textiles production industries were declining, with production dropping by 8% between 2001-02 and 2004-05. This is according to a paper written by Sally Weller in the same year, who was the then-senior research fellow at Victoria University's Centre for Strategic Economic Studies Sally Weller. "Nonetheless," Weller wrote, "the sector still accounted for AUD \$5 billion of GDP in 2004-05, contributed \$1,532 million of added value to the economy, and represented about 1.6% of total manufacturing industry value added."

In 2021, the Australian fashion industry contributed around \$27.2 billion and employs around 489,000 Australians according to Statista.

However, clothing and textiles manufacturing has declined to around 1.5% of Australia's manufacturing output, according to a 2022 report

by the Australian Fashion Council, with less than 5% of Australian garments being fully manufactured here.

Amidst the growing loss of skilled workers, Cue is striving to keep a majority of its manufacturing in Sydney. This is despite a slight increase in offshore production in Vietnam in recent years, working with a long-term connection who was previously based in Australia.

"We're still the largest local manufacturer in Australia, and we're quite fiercely protective of

our Australian manufacturers," executive director Melanie Levis says. "But, they've struggled a little bit with losing workers to other industries."

To combat this, Levis says the company works with design schools and the University of Technology Sydney (UTS) to protect the next fashion skill set and to keep those skills viable in Australia.

"We have strong relationships with all the fashion schools in Australia, many of whom have recommended some of our leading talent," Levis says.

"Last year we were included in a joint industry collab, facilitated by the Australian Fashion Council and including UTS, that explored possible tech solutions to skills shortages and fabric waste."

Levis said it was a "collaborative future-focused project" that hypothesised the viability of 3D sampling.

"The outcome of the project varied from brand to brand depending on scale and existing infrastructure," Levis says. "All in all, some great learnings were taken away and there is much more to investigate in this space."

While driving its local manufacturing arm, Levis says Cue is also working closer than ever with its offshore manufacturers, in both China as well as Vietnam.

"Because we work with long-term trusted makers locally and internationally, our quality and manufacturing expectations are consistent across the entire network, allowing us to create most styles both locally and internationally," Levis says. "The only category we cannot make locally is knitwear because the local industry does not have the machinery to make at scale."

In 2023, Cue has onboarded 100% silk and will dive into

denimwear. It is also currently building on its relationship with Good Earth Cotton - an Australian family owned and operated farm that is developing regenerative farming practices.

"We're developing our own cotton bases using good old cotton from the farm, and we're now doing that in Vietnam. So it's coming from Australia to Vietnam, and then back to us, but they're actually knitting the cotton."

Levis says the introduction of Good Earth Cotton, as well as utilising its FibreTrace® technology, is part of Cue's commitment to ethical and sustainable manufacturing.

"We recognise that textile and garment manufacturing places a heavy toll on the environment, and we're committed to working with industry leaders like FibreTrace and Good Earth Cotton to innovate renewable solutions.

"Good Earth Cotton has already been introduced into the range, and will continue to be released into the future."

Despite the elevated fabrics, Levis says this won't alter its market positioning or its price ranges. She says the brand will still offer its usual styles and aesthetics, including modern separates and wear-to-work options.

She says her overall in-house design and production team of 60-80 people have a clear idea of where Cue sits in the market, noting that it is currently stocked in 40 Myer stores and five David Jones stores. It is also sold on The Iconic and in 35 standalone stores across Australia.

"But I think that we can explore a little bit further," Levis says. "Being the size we are, we do have that luxury of being able to test things. It's always been a part of our DNA."

"And having majority local production means we can be quicker to market." ●

“We’re still the largest local manufacturer in Australia, and we’re quite fiercely protective of our Australian manufacturers.”

Offshore to onshore

WORKWEAR GROUP GM OF UNIFORMS AND OPERATIONS **MATTHEW BLASHKI** REVEALS HOW THE COMPANY IS PUSHING ONSHORE MANUFACTURING THROUGH OFFSHORE.

WORKWEAR GROUP IS PARTNERING WITH OFFSHORE SUPPLIERS LOOKING TO EXPAND MANUFACTURING EFFORTS IN AUSTRALIA. HOW MANY? We are currently in discussion with two offshore suppliers who are existing manufacturers for Workwear Group. These businesses are already long-term partners who are interested in supporting us on shore, so we're excited at the prospect of being able to extend our local output with their expertise.

HOW WILL THIS INCREASE LOCAL MANUFACTURING IN AUSTRALIA? We believe these potential sites will increase capacity for local production and lift the capability of Australian manufacturing. The number of units we can make in the country would increase and potentially shorten lead times within our supply chain. Customer conversations are seeing us lean towards creating more cohesive end-to-end solutions that allow for world-class manufacturing skills to be available onshore and offshore.

WHAT PERCENTAGE OF WORKWEAR GROUP APPAREL IS LOCALLY MANUFACTURED COMPARED TO OFFSHORE? Last financial year, we manufactured and procured close to 1 million clothing items locally. Australia is already our third-largest manufacturing supply country. We have a clear strategic plan to actively grow capacity

and capability further, including Indigenous participation with the support of our current and future customers.

WHAT ARE THE KEY PRODUCT CATEGORIES MADE IN AUSTRALIA AND WILL THIS CHANGE WITH THESE NEW PARTNERSHIPS? Products made in Australia are primarily for Australian customers wanting Australian-made goods. We're responding to their preference for uniforms and workwear to be locally made. We've observed that interest in onshore capability is also increasing, so we're looking to this demand to guide us. With the uniforms sector of our business currently responding to the bulk of this output, there is an opportunity to expand local manufacturing further into our brands in the future.

THIS RISE IN LOCAL MANUFACTURING SHOULD INCREASE JOBS. HOW MANY NEW ROLES HAVE YOU ADDED? Within Workwear Group, we have added three internal roles that are solely focused on delivering local manufacturing. We have intentionally built this expertise into the team structure to support our local manufacturing success. We have a view to add more depending on customer expectations and appetite for local growth. We'll be working closely with our suppliers on how local jobs will increase for the specific skills needed to increase local capacity and capability.

WILL THE REPORTED NATIONAL SKILLS SHORTAGE IN APPAREL MANUFACTURING IMPACT THIS? Whilst skill shortages are a challenge in a number of industries, we're investing in people within our business for the long term, to retain the best talent. By working with the right people, we intend to support local manufacturing to develop further and become a stronger customer proposition and workplace.

HOW MANY KEY CORPORATE CONTRACTS DO WORKWEAR GROUP'S FOUR KEY BRANDS OWN? Workwear Group owns iconic Australian brands Hard Yakka, King Gee and NNT Uniforms. We're proud of our world-class apparel, uniforms and footwear ranges that have been part of the Australian DNA for decades. A large part of our business is our custom, bespoke uniforms solution program available through our Workwear Group Uniforms offering. We service over 150 customers in Australia and New Zealand that include Qantas, ANZ, Westpac, Australia Post, Ambulance Victoria, Queensland Health and the Australian Defence Force.

While a significant amount of uniform product requested comes from our branded catalogue products, we also work closely with each customer to understand their needs and create custom ranges with our in-house design team. The strength of our business is our

ability to leverage our iconic brands but also go above and beyond with our expertise to deliver something specialised when required.

THE COMPANY HAS ALSO INCREASED ITS WAREHOUSE CAPACITY AT WELSHPOOL IN WA. CAN YOU ELABORATE? At Welshpool, we initially identified areas within our warehouse that were not effectively utilised. Mindful of cost efficiency, we undertook a thorough evaluation and reconfiguration process. The result has seen a 30% capacity uplift, improved delivery times for customers, safety improvements for people & machinery and strengthened our overall on-shore logistics proposition. We have four warehouses overall, with locations in Queensland, Victoria, Western Australia and New Zealand.

HAVE THERE BEEN ANY RECENT TECHNOLOGICAL CHANGES TO THESE WAREHOUSES? Our business recently developed a significant tech roadmap with a clear plan around our warehouse technology. This includes a number of various initiatives such as updates to a range of systems and improvements to existing processes. We're constantly reviewing ways to evolve technology solutions and how our warehouse capability solves for various customer needs, in the best timeframe possible. ●



Sync.

Redefine Your Business with an Apparel-Specific ERP



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WHY CHOOSE US?

Intuitive, reliable, and easy-to-use software that helps Apparel and Footwear businesses increase efficiency and optimize their operations.

OUR PLATFORM

- ✓ With Sync's out-the-box functionality, there's no need for complex customization or manual workarounds.
- ✓ Sync integrates various business processes and functions into a centralized system, boosting efficiency and streamlining operations.
- ✓ Embrace Sync's product and inventory data management for a single source of truth. Integrate this centralized data into your B2C sales channels and marketplaces to boost sales. With accurate and current information, Sync ensures a smooth customer experience, allowing your business to thrive without issues like canceled orders or late deliveries.

INTEGRATIONS

with 100s of prebuilt integrations we've created the best in-class ecosystem for your brand



NO HIDDEN COSTS

Know your "all in costs" with a fixed onboarding fee that's on average 45% lower than any ERP system. We do the heavy lifting so you can focus on your brand.



EXPERT INSIGHT

Built for apparel brands, by apparel experts. Let's collaborate to improve your business processes and unleash your brand's potential.



AMAZING SUPPORT

We are here to help and build brands together. That's why FREE personalized phone and remote support is included. (we hate call centers as much as you do!)

