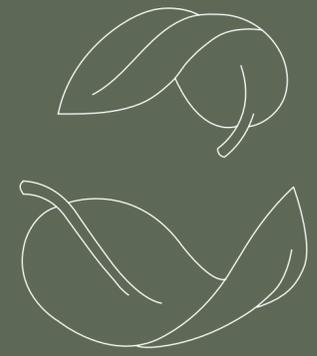


CITTÀ

**sustainability
strategy**



CITTÀ

sustainability strategy opening statement



In recent years we've become increasingly mindful of the environmental and social challenges facing our planet, and the overall impact of our business. Although we have taken every effort to build strong relationships with like-minded suppliers who consider their environmental and social impacts, we know there's much more to be done.

We're proud to announce that we've developed a comprehensive sustainability strategy which will help guide us to become a market leader in minimising our environmental impacts while maximising our social impacts. We know this will be a journey of many challenges and learnings, but we are committed to moving forward and making informed decisions based on what's best for the well-being of our planet and its people.

We have reviewed our current operations and had many honest, engaged and eye-opening discussions on where we need to improve. Along with our existing knowledge, these discussions have become an integral part in informing the development of our sustainability strategy. We have also aligned our strategy with the United Nations Sustainable Development Goals (SDG's) to ensure that we're doing our part in helping the world make this monumental shift.

This strategy will be our guiding light for the years to come and will become a cornerstone in our vision for the future of our business. It will be reviewed annually to ensure that we continue to challenge ourselves and strive for improvement. As a valued member of our business, we ask that you hold us accountable to this pledge and join us on this exciting journey.

vision statement

To create beautiful, high quality products that have been sourced with the highest possible ethical and environmental standards. To openly and transparently communicate our journey.

objectives & targets

Below are the commitments we are making as a business to achieve our vision. We have split them into the following three categories: **People, Planet, and Prosperity.**

united nations sustainable development goals

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all.

They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.

<https://sustainabledevelopment.un.org/>

01 no poverty



03 good health and well-being



04 quality education



05 gender equality



06 clean water and sanitation



07 affordable and clean energy



08 decent work and economic growth



09 industry innovation and infrastructure



10 reduced inequalities



12 responsible consumption and production



13 climate action



14 life below water



15 life on land



planet



01 objective

Zero plastic to landfills or into the open environment.

challenges

Due to its functionality and price, plastic makes up the vast majority of the packaging we receive our goods in.

The alternatives to plastic packaging are often more expensive and don't function as well.

The recycling of plastics is complex and varies across the markets we supply.

Polyester is an affordable and highly versatile material that produces well-liked products.

'19 targets

- Remove all of our plastic shopping bags
- Review our current unpack and distribution systems with a specific focus on how to decrease our use of plastics.
- Investigate reusable packaging solutions.

'20 targets

- Review all packaging
- 25% reduction in spend on synthetic washable textiles (sheets, clothing, blankets, dressing gowns).

'22 targets

- All packaging to be compostable, recyclable, or reusable.

sdg's



02 objective

Responsibility shown around the use of chemicals in our supply chain and products.

Our supply chain is long, global & complex & our influence on many of our suppliers is comparatively small, so communicating & implementing changes can be very difficult.

There are a countless number of chemicals used in the various stages of the supply chain making it very difficult to understand them all. Some of the chemicals used may hinder the afterlife options of our products but they drastically increase the function and lifetime.

There are large price variations in the various chemicals used in the industry.

- Start to gather information on the chemicals used within our supply chain.

- Sign 80% of our suppliers to our Supplier Code of Conduct, (which includes responsible use of chemicals and the health and well being of their workers).

- 100% suppliers signed up to Supplier Code of Conduct (SCOC).
- Establish ourselves as being fully informed and transparent about the chemicals used in our supply chain.



03 objective

Water Usage

Water is required to grow all natural fibres and is a vital component in the manufacturing and processing of all our products and materials.

Water accessibility and care is hugely varied across our international supply chain.

- Develop SCOC (which will include water management requirements).

- 80% of suppliers must sign our SCOC (which requires a water management plan that indicates to us they use water sparingly and responsibly, without negatively impacting their local community).

- 100% of our suppliers must sign our SCOC.



04 objective

Cotton supply

challenges

Non-organic cotton is cheaper.

We need to better understand the organic cotton industry, it's certifications and the farming practices used.

Farming practices can vary greatly from country to country and farm to farm.

'19 targets

- Gain a deep understanding of the organic cotton industry, the farming practices employed, and the certifications involved.

'20 targets

- Announce the companies position on the procurement of cotton.

'22 targets

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sdg's



05 objective

Greenhouse Gas (GHG) emissions

We are proudly New Zealand owned and operated but we are a long distance from our supply chain and international markets creating a large transport footprint.

- Continue to focus on local sofa manufacturing.
- Investigate working with NZ artisans.
- Reduce airfreight spend by 25% from 2018 levels.
- Establish what our baseline carbon footprint is in NZ based operations.
- Engage with a GHG emissions expert to understand our emissions and the process of becoming carbon net-zero.
- Set a GHG emissions target for 2022.
- Investigate the offsetting and reduction of all staff flights with the goal to set a measurable target of reduction.
- Encourage all staff to minimise their carbon emissions.

- Establish what our baseline carbon footprint is internationally and map our total emissions.
- Ensure all shipping freight containers are full.
- Engage with our import partners to ensure we are as efficient as possible when transporting our goods to minimise our transport emissions.
- Investigate "nesting" bulky product.
- Reduce our use of air freight by 50% from 2018 levels.
- Develop a policy for offsetting staff flights.

- Eliminate airfreight for product.
- 50% of fleet vehicles to be electric/hybrid.



06 objective

Wood supply

Pricing of certified Forest Stewardship Council certified (FSC) wood and paper can be price prohibitive.

- Contact and review suppliers for FSC certification and develop a policy to become 100% FSC wood supplied.

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07 objective

Energy usage and efficiency

challenges

Ensuring our showrooms and offices are of a comfortable temperature for staff and customers.

Ensuring our showrooms and displays are well lit.

Ensuring a high level of security and safety at our showrooms, offices, and warehouses.

Use of computers and modern appliances to run the business.

'19 targets

- 100% of company forklifts to be electric.
- Review companies use of heating/cooling systems in showrooms, offices, and warehouses.
- Investigate installing solar panels.

'20 targets

- Investigate electric vehicles for our distribution network and work fleet
- Decrease electricity usage in showrooms, offices, and warehouses by 5% from 2018 levels.

'22 targets

- Decrease electricity usage in showrooms, offices, and warehouses by 10% from 2018 levels.

sdg's



07

08 objective

Minimise use of paper

To do their jobs effectively our designers often require printing out their designs.

Ingrained habits around paper usage.

An expectation of catalogues as promotional material.

- In-office competition for printing paper reduction.
- 50% reduction in paper usage from 2018 levels.
- Investigate software and technologies to reduce paper use.

- 75% reduction in paper usage from 2018 levels.
- 100% of paper used to be from post-consumer recycled source or FSC certified.

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09 objective

Animal welfare

Supply chains are long and often with very little transparency so it can be very difficult to track materials through the whole supply chain.

Many of our fabrics are sourced from international countries with differing priorities.

There are cultural differences to consider around animal welfare.

- Gather accurate and current information on the use of animals and animal products in our supply chain.

- Sign 100% of suppliers to our SCOC (which includes requirements for animal welfare).

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10 objective

Palm oil

Palm oil is a hugely versatile substance that is extremely common in cleaning and beauty products.

The alternatives to palm oil are often more expensive or not as desirable, and may also be produced unsustainably.

- Measure what products in our inventory contain palm oil

- 100% of Oil products containing palm oil to be from certified sustainable sources.

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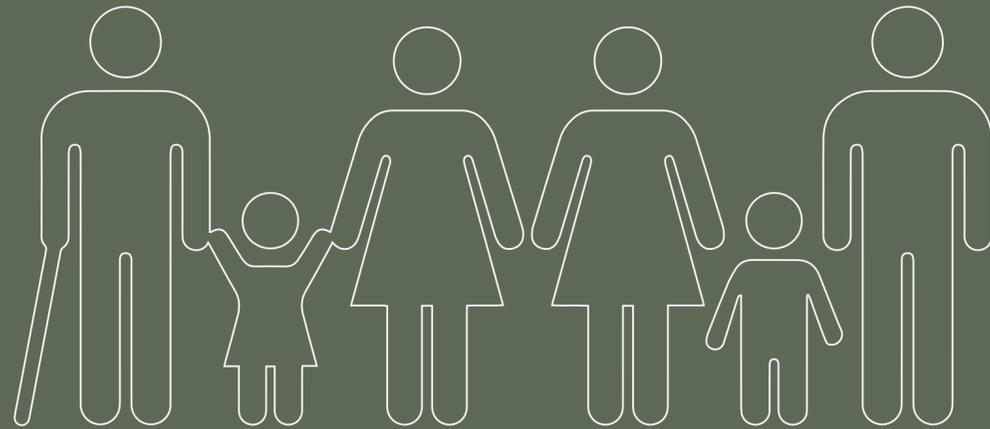


03



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people



01 objective

100% “Ethically Sourced” materials/ ingredients

Safe, healthy, respectful, & empowering working environments with ‘fair pay’ for 100% of staff, manufacturers & suppliers.

challenges

Supply chains are long and often with very little transparency so it can be very difficult to track materials through the whole supply chain.

Many of our fabrics are sourced from countries where English is not the first language.

There are cultural and regional differences to consider around what is considered ethical and what equals “fair pay”.

'19 targets

- Gather detailed information (and certifications where applicable) on our supply chain and the current working conditions.
- Define what “ethically sourced” and “fair pay” means to us based on the highest international standards

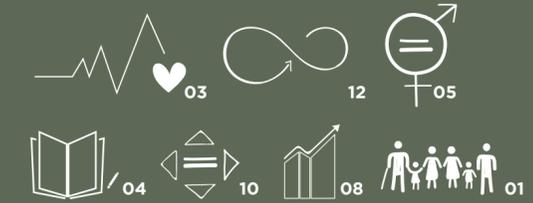
'20 targets

- 100% of suppliers in our supply chain sign our Supplier Code of Conduct (which includes details about providing safe, respectful, and empowering working environments, and fair pay).
- We engage internal or external auditors to ensure suppliers are meeting our requirements.
- Visit all new manufacturers.
- Città to become a Living Wage employer in New Zealand.

'22 targets

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sdg's



02 objective

Educated and aware workforce who ‘walk the talk’

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- Run a documentary screening for staff to attend once every two months
- Continue to engage outside expertise.
- Attend events / courses / talks that relate to sustainability on a monthly basis.
- Green Team meetings once every two months.

- Ensuring staff adhere to Città brand pillars
- Ensure sales team have a complete understanding of the issues and can talk knowledgeably to customers.
- Include sustainability-related sales training.



03 objective

Educate & communicate sustainability to our customers

There are established pricing expectations from our customers, and often price is the priority, not how, where, or by whom a product was made.

Our customers may not be as well informed and aligned with sustainability as we are.

- Include an education element into our social media and marketing strategies.
- Share our journey.
- Provide hosting space for sustainability-related events.

- Establish a sustainability part of our EDMs and wholesale newsletter that highlights a key issue in each edition.

- Share documentation of our journey - video/blog/campaign



04 objective

Flexible working hours

challenges

Many of our team require being on site to do their job.
Being in the office provides connection and the ability to communicate directly.

'19 targets

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'20 targets

- Develop a policy on flexible working hours and working remotely.

'22 targets

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sdg's



05 objective

Community involvement

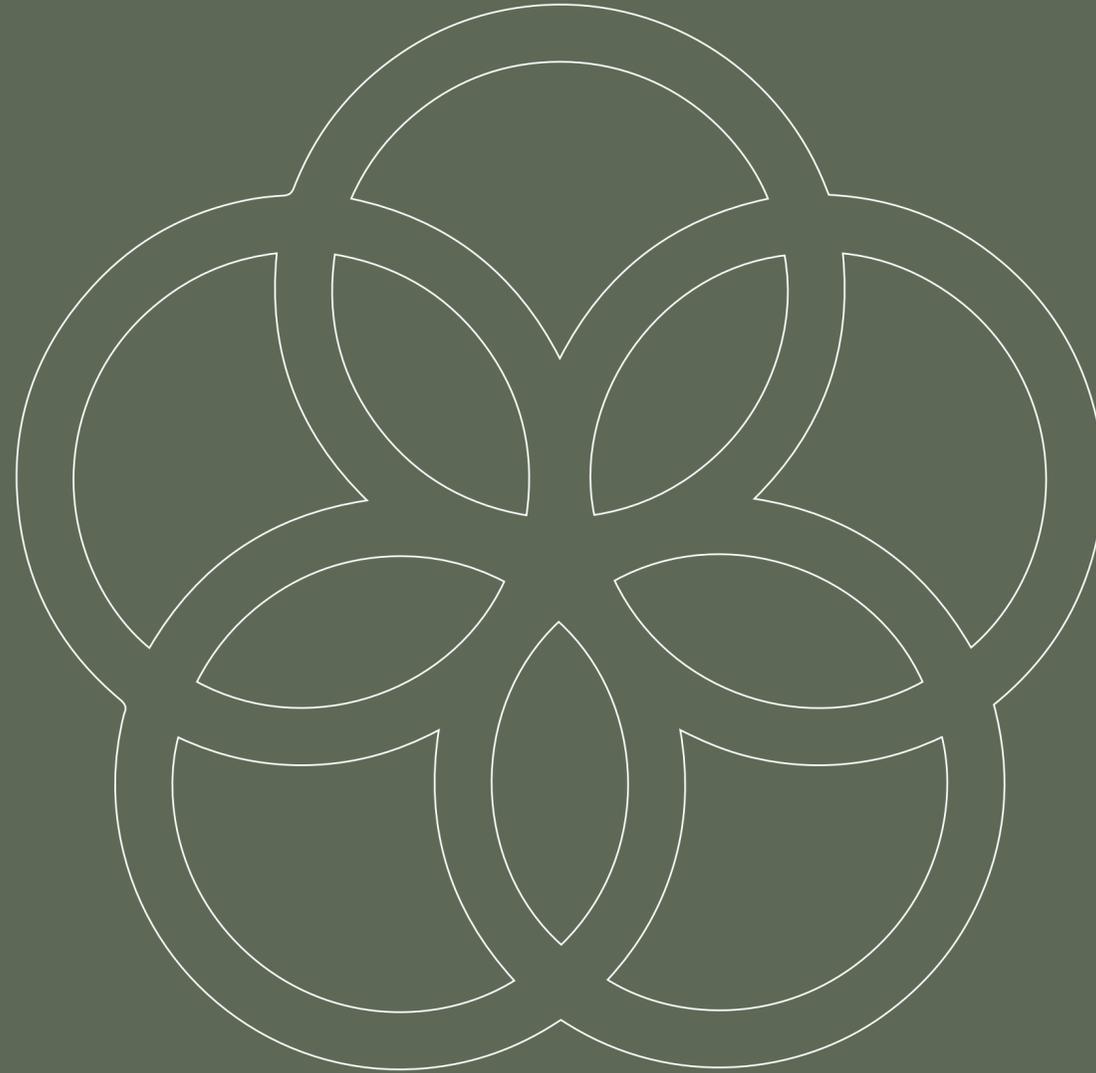
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- Every employee to receive one paid "community day" to volunteer for a cause (subject to management approval).

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prosperity



01 objective

Being responsible, accountable and transparent.

challenges

A business faces many challenges to ensure it remains economically sustainable and sticks to its purpose and values.

Business decisions can be difficult to explain to those not involved in the business, or who don't have all the information to hand.

'19 targets

- As we progress on our "journey of sustainability" we openly and proactively communicate to stakeholders.
- Clear and accurate labelling of our products and packaging.

'20 targets

- A globally recognised, sustainability report issued once every two years.
- Proactive and ongoing openness and transparency with all our stakeholders as to how we do business.

'22 targets

- An annual update to our sustainability report.

sdg's



02 objective

Positively influence our industry to become more sustainable and transparent

Our industry is a massive interconnected industry that spans the entire globe and involves some big businesses and old-school business practices that will be hard to change.

- Investigate the key certifications and memberships available.
- Attend industry events, and raise sustainability topics.

- Sign up to and commit to the relevant certifications that best represent Città.
- Open dialogue and collaboration with our industry peers.

