



Zque™

Doing the Right Thing.

*Business as the New Leader - Ethical People, Product and Partnerships.*



IMAGE SOURCE: NASA

Time for a new revolution.  
Time for doing the right thing.



### Zque Delivers:

- Sustainability through long-term supply contracts
- Backfills brand - depth and substance
- Independently audited (third party) accreditation
- Supply chain transparency
- Performance validation
- Product confidence

*The 60s were a time of great change and great leaders. On reflection the 60s were about people. Like the 60s - 2008 is a time for great change and great leadership.*





"Those who lack the courage will always find a philosophy to justify it."  
Albert Camus

# Green? Have the courage to prove it.



An ethos of 'green' has elbowed its way into the modern mindset, but what is 'green' and how defensible are the claims made around it? Is 'green' strictly reserved for environmental labelling or does it take a more holistic perspective?

Nature is an authority on good design. As a natural performance fibre, wool is arguably 'green' - naturally. But at NZM (The New Zealand Merino Company) it didn't sit well with us to simply jump on the 'green' wagon.

The Six Sins of greenwashing\* guide the decisions we make:

- 1. Beware the hidden trade-off
- 2. Lack of proof
- 3. Vagueness
- 4. Irrelevance
- 5. Fibbing
- 6. The ethos of less bad.

Zque is ethical wool. Ethics - whether they be related to social, economic and environmental sustainability, improving our natural capital, animal welfare or fair trade - permeate what we do daily.

We've created this book so that you can find out how Zque is putting ethics into action.

\* Six Sins of greenwashing as defined by TerraChoice Environmental Marketing, 2007.

*Is 'green' strictly reserved for environmental labelling or does it take a more holistic perspective?*





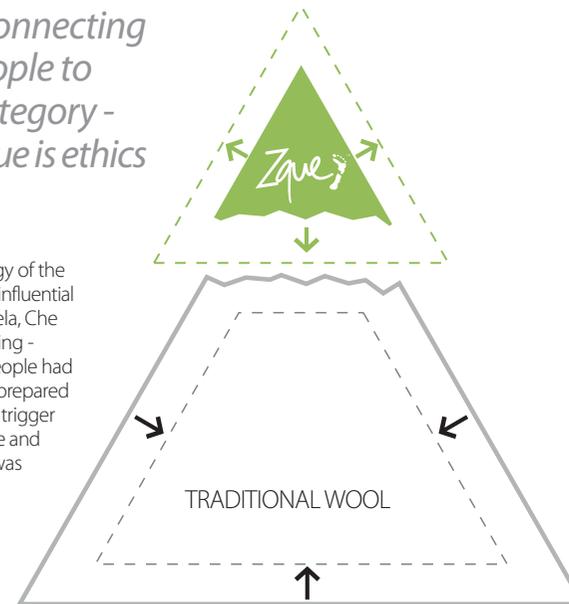
"The future belongs to those who prepare for it today."  
Malcolm X

# Moral conscience? Or lip service.



*Zque is about connecting like-minded people to create a new category - ethical wool. Zque is ethics in action.*

Zque embraces the the energy of the 60s revolutionaries - dynamic, influential figures such as Nelson Mandela, Che Guevara, JFK, Martin Luther King - arguably the last era when people had strong convictions and were prepared to compromise everything to trigger change in social policy, culture and thinking. The 60s revolution was about people, not products.





*Zque backfills,  
providing brand  
depth and substance*

*"It is easy to sit up and take notice, what is difficult is getting up and taking action."  
Al Batt*

# A new fibre category. Ethical wool.



*Zque's success is on relationships and transparency through the wool fibre value chain.*

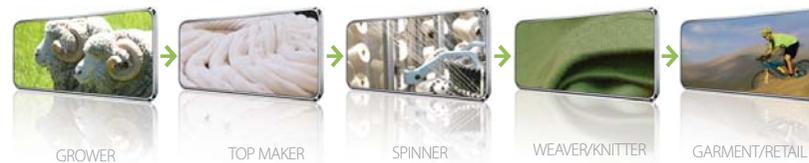
What makes Zque different from any other 'green' brand? A culture of connectivity. Zque, to us, is a way of doing business where every participant in the chain, from grower to final consumer is connected by their belief in the long-term sustainability of wool.

Zque standards validate this stance and raise the bar for on-farm management practices across the

areas of fibre performance, environmental care, animal welfare and social responsibility. Zque's success is based on relationships and transparency through the wool fibre value chain.

Our aspirations are greater than on-farm ethics alone. Ultimately, Zque will 'backfill' your Zque product over the breadth of ethical and performance criteria from cradle to cradle.

It's simple really. Zque is a way of doing business that feels right, and that gives us the ability to adapt responsibly in the future.





"The only real valuable thing is intuition."  
Albert Einstein

# IQ plus EQ. Zque is ethics in action.



People like products that exceed their expectations in performance and that they feel good about.

Zque is the harmonisation of hard facts - the intellectual quotient, 'IQ', and emotive elements - the 'EQ' needed to make you feel good about your decisions, and placing equal importance on both.

Seeing is believing and we've found that the best way to give people confidence in Zque is to provide transparency back to source. Zque was the first to team up with like-minded partners to provide traceability through every stage of the wool value chain right back to the selection of Zque properties supplying the original fibre.

On-farm, Zque is backed by an independently audited (third party) accreditation programme - the ultimate proof.

*On-farm, Zque is backed by an independently audited (third party) accreditation programme - the ultimate proof.*





"The reasonable man adapts himself to the conditions that surround him...  
The unreasonable man adapts surrounding conditions to himself.. All progress  
depends on the unreasonable man."

**George Bernard Shaw**

# Natural connection. From garment to grower.



Aotearoa, New Zealand is an isolated island nation. Our need for connection is greater than most. It's how we survive.

Zque partners seek stable relationships and shared knowledge along the value chain and that's why they choose to enter into long-term contracts. "We are all but links in one chain; you are connected to me, I am connected to you, and together we are as one." - Leading Italian Fashion and Fabric brand on their relationship with New Zealand Merino growers.

Consistent quality and continued supply are guaranteed through the Zque contract system, which defines fibre specifications and ensures growers are committed to the production of 'fit for purpose' wool. These contracts provide price stability at a level that is sustainable for both the purchaser of Zque fibre and the farming business, removing exposure to price volatility, and ensuring ongoing viability of wool production and programmes.

Zque's traceability allows for the identification and tracking of Zque fibre through the value chain.

This ensures desired wool quality is maintained, and that product and system integrity are not compromised.

*"We are all but links in one chain; you are connected to me, I am connected to you, and together we are as one."*

- Leading Italian Fashion and Fabric brand





"Great works are performed not by strength, but by perseverance."  
Samuel Johnson

Not all Wool is created equal.  
Zque is performance.



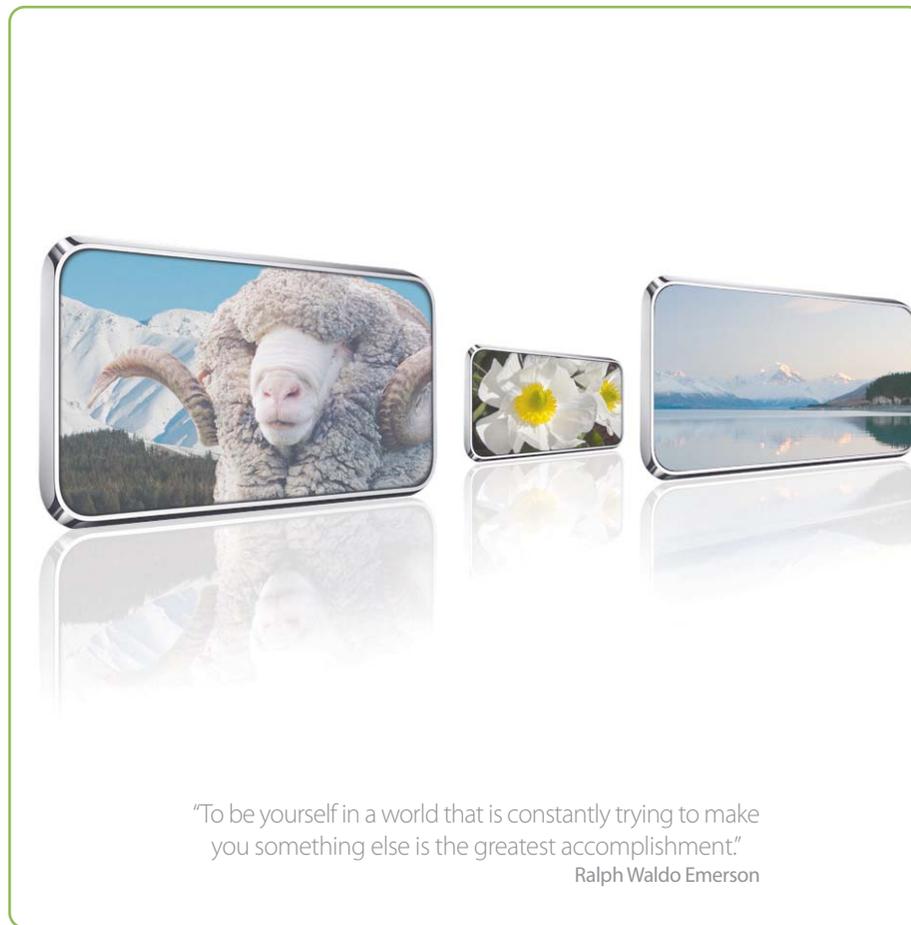
New Zealand's unique environment and farming systems enable the production of fibre renowned for its range of attributes which contribute to outstanding processing and product performance.

Zque provides an assurance that fibre meets a broad range of quality and production standards - from farm gate to finished product. Zque provides validation behind each performance attribute through robust R&D and market-led innovation.

*Zque provides validation behind each performance attribute through robust R&D and market-led innovation.*

## ZQUE WOOL ATTRIBUTES





"To be yourself in a world that is constantly trying to make you something else is the greatest accomplishment."

Ralph Waldo Emerson

# Tough Sheep. Perfect fibre.



Sheep graze on pasture in 'free range' conditions throughout the year.

Wool producers have developed the necessary stockmanship, often over many generations, to ensure the health and welfare of their sheep and that the productive capacity of their farms is maintained or enhanced, rather than degraded, over time.

Supplementary feed is provided during periods of slower pasture growth, in order to meet both the 'maintenance' nutritional requirements of the sheep and also to produce fibre of the highest quality. This style of farming system suits both the fragile high country (alpine and sub-alpine grassland), and rolling hill country environments which are the domain of Merino and mid-micron sheep breeds.

In New Zealand, the Animal Welfare Act (1999) defines the obligations of people who own or are in charge of animals. In particular, they define best management practices for the provision of an animal's physical health and behavioural needs. Zque growers also comply with voluntary Codes

of Practice and Minimum Standards that ensure the welfare of sheep and sheep dogs, and animals transported within New Zealand.

These criteria ensure that at a minimum, the management of animals takes account of their five basic requirements:

- Freedom from thirst, hunger and malnutrition;
- Provision of appropriate comfort and shelter;
- Prevention, or rapid diagnosis and treatment of injury, disease or infestation with parasites;
- Freedom from distress; and,
- Ability to display normal patterns of behaviour.

## *Mulesing*

*Mulesing is one type of management procedure for the prevention of flystrike. Zque fibre is selected from sheep that have not been mulesed, or properties that have stopped mulesing sheep supplying Zque fibre.*



"One touch of nature makes the whole world kin."  
William Shakespeare

# Nature always wins. That's why we are on its side.



Healthy animals are reliant on a healthy environment, both of which are consistent with productive and profitable farming.

Sheep are farmed in some of New Zealand's most stunning grassland areas. To ensure they stay this way for future generations, farmers have developed systems that result in the production of high quality fibre in harmony with environmental sustainability.

In New Zealand, the Resource Management Act (1991) establishes rules to protect the environment through:

- Sustainable management of natural and physical resources;
- Governing the use and development of our land, air and water resources; and,
- Managing the environmental effects of human activities.

Zque requires participants to actively manage farms to protect and enhance the following aspects of their environment:

- Soil - conservation and improvement as the basis for all agricultural production.

- Biodiversity and landscape management - sympathetic management of natural habitats for native biodiversity.

- Water, waste and pollution - preserve quality of water supply and ecological systems in the waterbody.

- Energy management - efficient management of energy.

*To ensure they stay this way for future generations, farmers have developed systems that result in the production of high quality fibre in harmony with environmental sustainability.*



"Sometimes the questions are complicated and the answers are simple."  
Dr. Seuss

# Do the right thing. We are all part of the one chain.



Zque is about acting responsibly and respectfully to promote stability and sustainability throughout the value chain.

The sustainability of farming is closely linked with the social and economic welfare of farmers, farm workers and communities. Farmers and their local communities have developed a distinctive culture of robustness and resilience, while continuing careful stewardship of the land. Farms producing Zque fibre are owned and farmed by families who, in many cases, have farmed for several generations.

The health and safety of those living, working and visiting Zque accredited farms is assured through the following Acts:

- Health and Safety Employment Act (1992) - ensures responsible attitudes and appropriate strategies are maintained for the protection of health and safety.
- Employment Relations Act (2000) - builds mutually satisfying and productive employment relationships.

The stable and sustainable pricing delivered through the Zque contract model creates an

environment in which farming families, and communities, can continue to invest in their businesses and enhance the opportunity for long-term business viability.

Zque promotes social and economic viability for stakeholders through:

- Long-term supply contracts that remove market volatility and encourage consistent quality;
- Connectivity and personal relationships throughout the chain resulting in well-informed and responsive participants;
- A thorough understanding of the unique performance attributes of Zque fibre and products; and,
- Research, development and innovation initiatives to develop new uses for Zque fibre, ensuring continued demand.

*Zque promotes social and economic viability through long-term supply contracts that remove market volatility and encourage consistent quality.*



"If one way is better than another, that you may be sure is Nature's way."  
Aristotle

# Talk is cheap. Zque takes action.

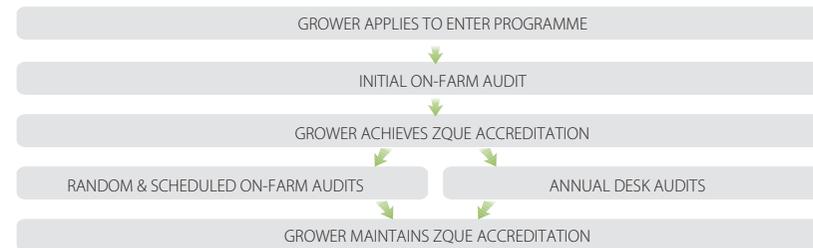


Zque encourages growers to adopt best management practices and to continually refine and improve their performance with respect to fibre quality, animal health and welfare, environmental, economic and social values. The Zque accreditation programme validates this.

Auditing is undertaken by AsureQuality ([www.asurequality.co.nz](http://www.asurequality.co.nz)), an internationally recognised auditing body compliant with ISO Guide 65 and ISO 9001 standards, and accredited with the Joint Accreditation System of Australia and New Zealand (JAS-ANZ).

Zque requires accredited growers to meet the standards outlined in the Zque manual and uses an independent (third party) audit process to ensure that these are complied with. To obtain accredited Zque status, growers must complete a number of steps that assess their suitability for accreditation. (See below).

*Zque uses an independent (third party) audit process to ensure compliance.*





"A revolution is coming - a revolution which will be peaceful if we are wise enough; compassionate if we care enough; successful if we are fortunate enough - but a revolution is coming whether we will it or not. We can affect its character; we cannot alter its inevitability."

Robert F. Kennedy

# NZM. Taking the lead.



Over the last 12 years NZM has rejuvenated and reinvented the global Merino industry, creating a model that is seen as a benchmark by other industry players and offers a sustainable future.

For NZM it's not enough to just be part of the mob. By continuously being one step ahead we are the leaders in every part of our field from developing the world's first traceable wool fibre chain to strengthening the sustainability of our partners through our unique, innovative forward contract model, to ensuring we are the experts on the technical capabilities of wool fibre.

Zque has been developed by NZM to ensure that ethics are put into action when it comes to wool - creating a new category that we encourage others to join.

NZM is a joint venture wool services company owned by New Zealand Merino growers and PGG Wrightson Ltd, New Zealand's largest agribusiness. NZM combines the production of New Zealand's

growers with considerable marketing, research and innovation, and supply chain expertise.

NZM and Zque - leading the way.

*Zque - strengthening the sustainability of our partners through our unique, innovative forward contract model.*



Discover more at [www.zque.co.nz](http://www.zque.co.nz)

Zque™ and the footprint logo are trademarks of The New Zealand Merino Company Limited

THE NEW ZEALAND MERINO COMPANY LIMITED  
Level 6, 79 Cambridge Terrace, PO Box 25-160, Christchurch, New Zealand  
Phone +64 3 377-7990, Fax +64 3377-7991  
email: [info@zque.co.nz](mailto:info@zque.co.nz)

*Printed on environmentally friendly paper: 55% Recycled fibre (30% pre consumer, 25% post consumer).*

*All virgin fibre used comes from sustainably managed forests and is elemental chlorine free (ECF).*

*Printing plates produced with out the use of chemicals or water, all inks used are mineral free and are based on 100% renewable resources.*