

Performance Report

2021-2022



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Our vision statement



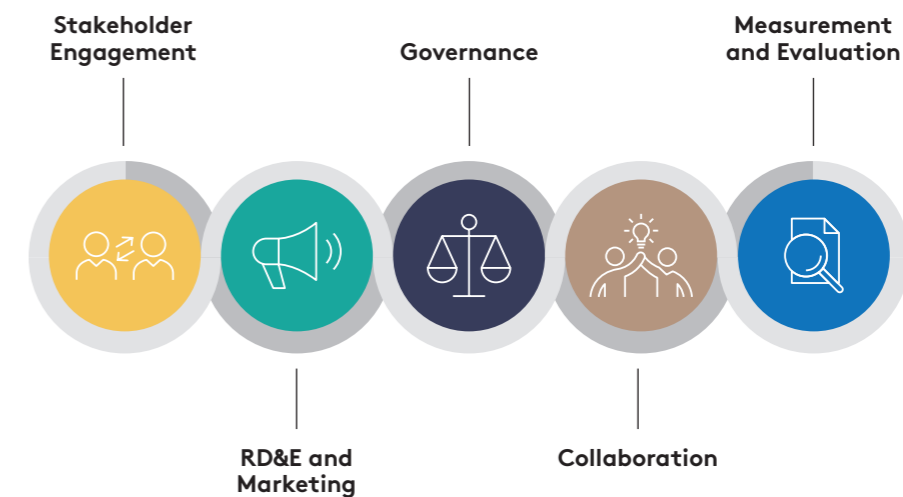


AWI's Strategic Plans are framed by what growers want AWI to focus on and what we can do as a Research and Development Company.

2019/20-2021/22 Strategic Plan priorities

This document provides a succinct and high-level summary of AWI's investments and is a companion to 2021/22 AWI's Annual Report.

Information provided here is not exhaustive and is meant as an indicative representation of what AWI has done on behalf of Australian woolgrowers during the past year. This document is in line with the AWI's new Statutory Funding Agreement with the Commonwealth that requires AWI to act in accordance with and uphold the five Performance Principles.



More information on the above five principles can be found in the 2021/22 Annual Report.

The 2021/22 financial year was the third and final year that AWI operated under its three-year Strategic Plan for 2019/20 to 2021/22. The Strategic Plan was developed after AWI consulted widely with woolgrowers and their representatives to ensure industry views and priorities were incorporated into the plan.

The five strategic portfolios of AWI during this period were:

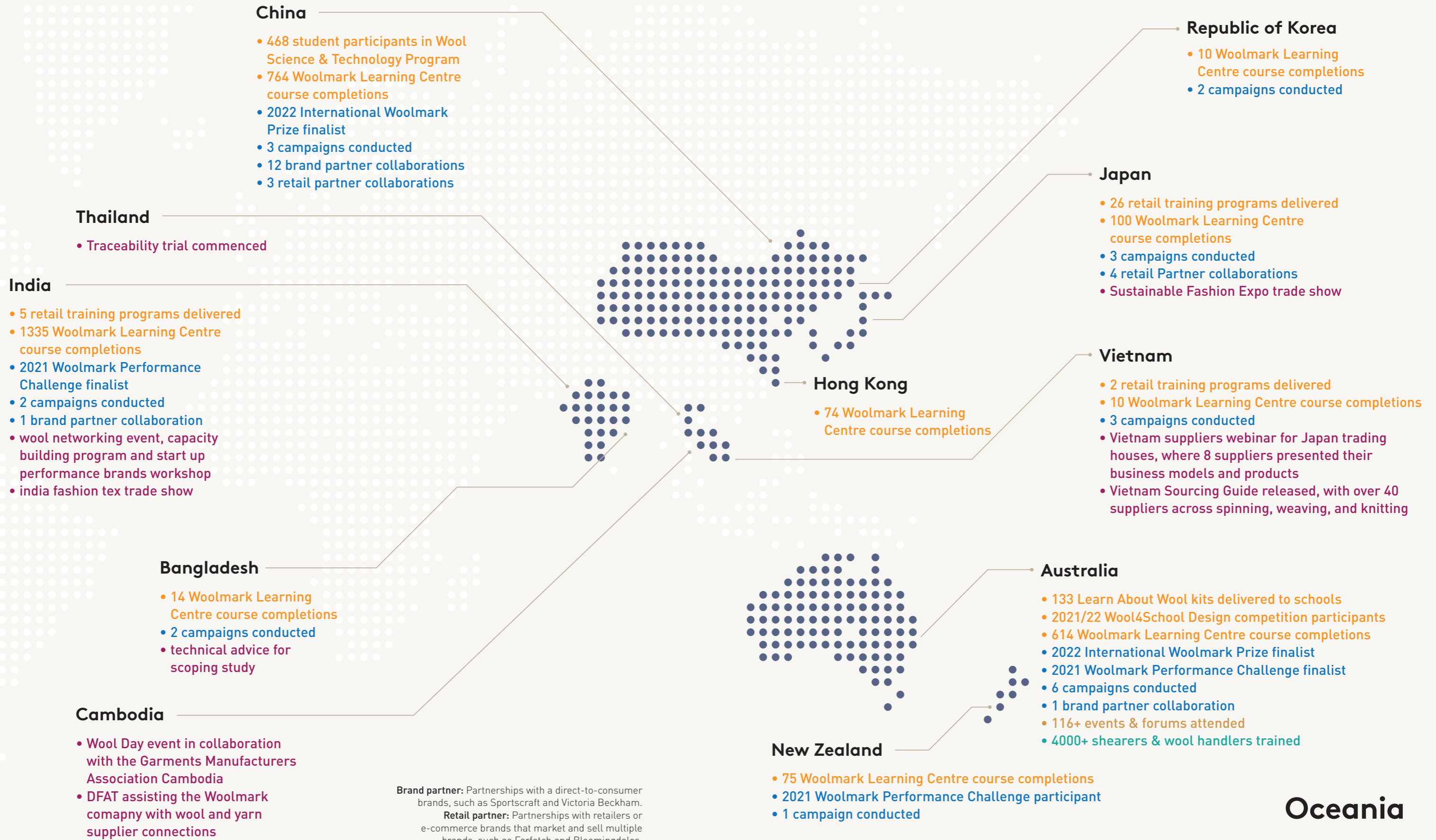
- Sheep Production, Science and Technology
- Marketing
- Processing Innovation & Education Extension
- Consultation
- Traceability

The Strategic and Annual Operating Plans and their updates are available to view and download on the AWI website www.wool.com.

2021/22 global highlights

- Sheep Production, Science and Technology
- Processing Innovation & Education Extension
- Consultation
- Marketing
- Traceability

Asia



- China**
- 468 student participants in Wool Science & Technology Program
 - 764 Woolmark Learning Centre course completions
 - 2022 International Woolmark Prize finalist
 - 3 campaigns conducted
 - 12 brand partner collaborations
 - 3 retail partner collaborations

- Thailand**
- Traceability trial commenced

- India**
- 5 retail training programs delivered
 - 1335 Woolmark Learning Centre course completions
 - 2021 Woolmark Performance Challenge finalist
 - 2 campaigns conducted
 - 1 brand partner collaboration
 - wool networking event, capacity building program and start up performance brands workshop
 - india fashion tex trade show

- Bangladesh**
- 14 Woolmark Learning Centre course completions
 - 2 campaigns conducted
 - technical advice for scoping study

- Cambodia**
- Wool Day event in collaboration with the Garments Manufacturers Association Cambodia
 - DFAT assisting the Woolmark company with wool and yarn supplier connections

Brand partner: Partnerships with a direct-to-consumer brands, such as Sportscraft and Victoria Beckham.
Retail partner: Partnerships with retailers or e-commerce brands that market and sell multiple brands, such as Farfetch and Bloomingdales.

- Hong Kong**
- 74 Woolmark Learning Centre course completions

- Republic of Korea**
- 10 Woolmark Learning Centre course completions
 - 2 campaigns conducted

- Japan**
- 26 retail training programs delivered
 - 100 Woolmark Learning Centre course completions
 - 3 campaigns conducted
 - 4 retail Partner collaborations
 - Sustainable Fashion Expo trade show

- Vietnam**
- 2 retail training programs delivered
 - 10 Woolmark Learning Centre course completions
 - 3 campaigns conducted
 - Vietnam suppliers webinar for Japan trading houses, where 8 suppliers presented their business models and products
 - Vietnam Sourcing Guide released, with over 40 suppliers across spinning, weaving, and knitting

- Australia**
- 133 Learn About Wool kits delivered to schools
 - 2021/22 Wool4School Design competition participants
 - 614 Woolmark Learning Centre course completions
 - 2022 International Woolmark Prize finalist
 - 2021 Woolmark Performance Challenge finalist
 - 6 campaigns conducted
 - 1 brand partner collaboration
 - 116+ events & forums attended
 - 4000+ shearers & wool handlers trained

- New Zealand**
- 75 Woolmark Learning Centre course completions
 - 2021 Woolmark Performance Challenge participant
 - 1 campaign conducted

Oceania

2021/22 global highlights

Europe

United Kingdom

- 2021/22 Wool4School Design Competition participants
- 416 Woolmark Learning Centre course completions
- 2022 International Woolmark Prize finalist (2)
- 6 campaigns conducted
- 5 brand partner collaborations
- 2 retail partner collaborations

Norway

- 1 campaign conducted

Sweden

- 1 campaign conducted

Finland

- 19 Woolmark Learning Centre course completions
- 1 campaign conducted

Denmark

- 1 campaign conducted

Netherlands

- Window of Textile Opportunities (WoTO) Development Centre partnership commenced
- 13 Woolmark Learning Centre course completions
- 2 campaigns conducted

Germany

- 2 retail training programs number delivered
- 84 Woolmark Learning Centre course completions
- 2021 Woolmark Performance Challenge finalist
- 7 campaigns conducted
- 1 brand partner collaboration
- 1 retail partner collaboration
- Performance Days trade show

Turkey

- 3 retail training programs delivered
- 49 Woolmark Learning Centre course completions
- 2 campaigns conducted

France

- La Caserne Development Centre partnership commenced
- 33 Woolmark Learning Centre course completions
- 2022 International Woolmark Prize finalist
- 2021 Woolmark Performance Challenge participant
- 4 campaigns finalist
- 2 brand partner collaborations

Spain

- 21 Woolmark Learning Centre course completions
- 1 campaign conducted

Italy

- D-house Development Centre partnership commenced
- 7 retail training programs delivered
- 2021/22 Wool4School Design Competition participants
- 310 Woolmark Learning Centre course completions
- 2021 Woolmark Performance Challenge finalist
- 3 campaigns conducted
- 3 brand partner collaborations
- Milano Unica, Pitti Filati & Filo Fair trade shows

- Sheep Production, Science and Technology
- Processing Innovation & Education Extension
- Consultation
- Marketing
- Traceability

2021/22 global highlights

Americas

Canada

- 19 Woolmark Learning Centre course completions
- 5 campaigns conducted

United States of America

- 169 Woolmark Learning Centre course completions
- 8 retail training programs delivered
- 2022 International Woolmark Prize finalist
- 2021 Woolmark Performance Challenge finalist
- 7 campaigns conducted
- 1 brand partner collaboration
- 1 retail partner collaboration

Africa

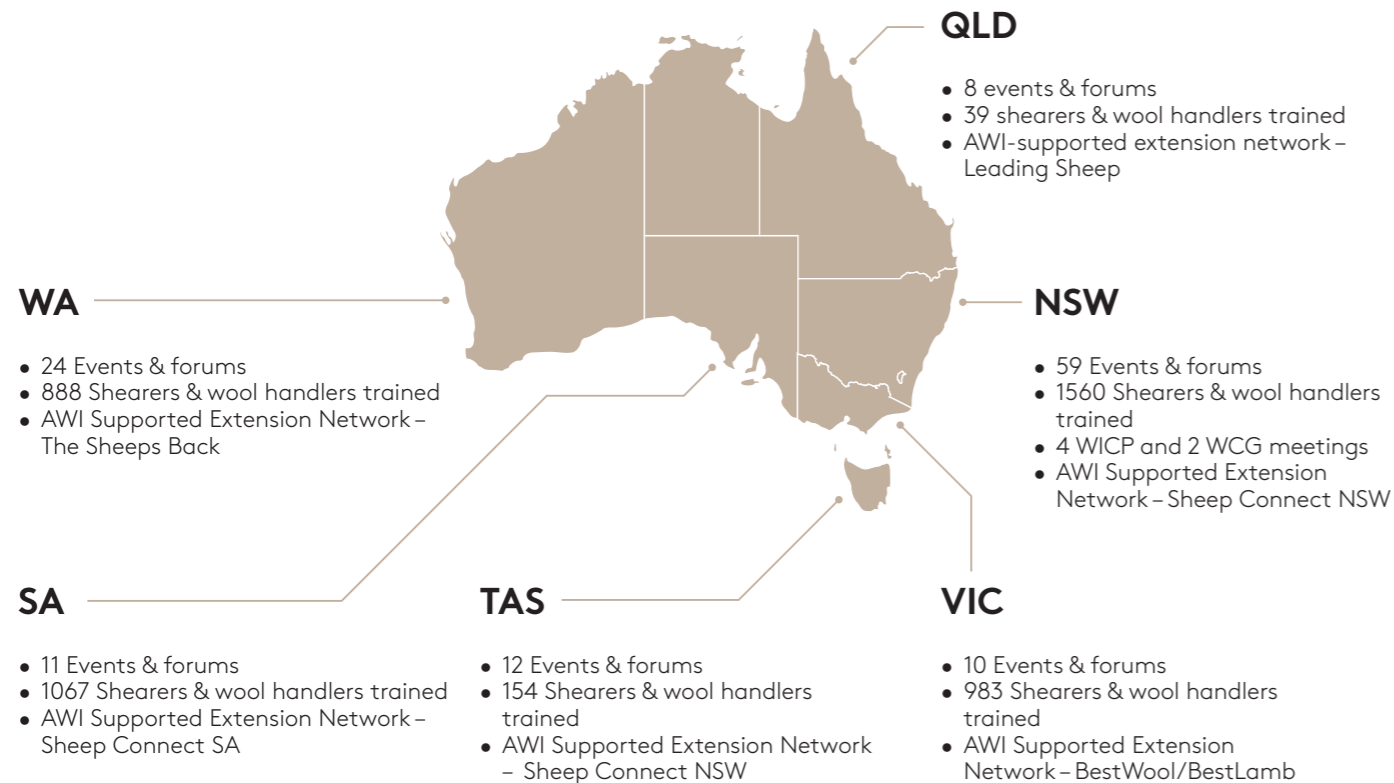
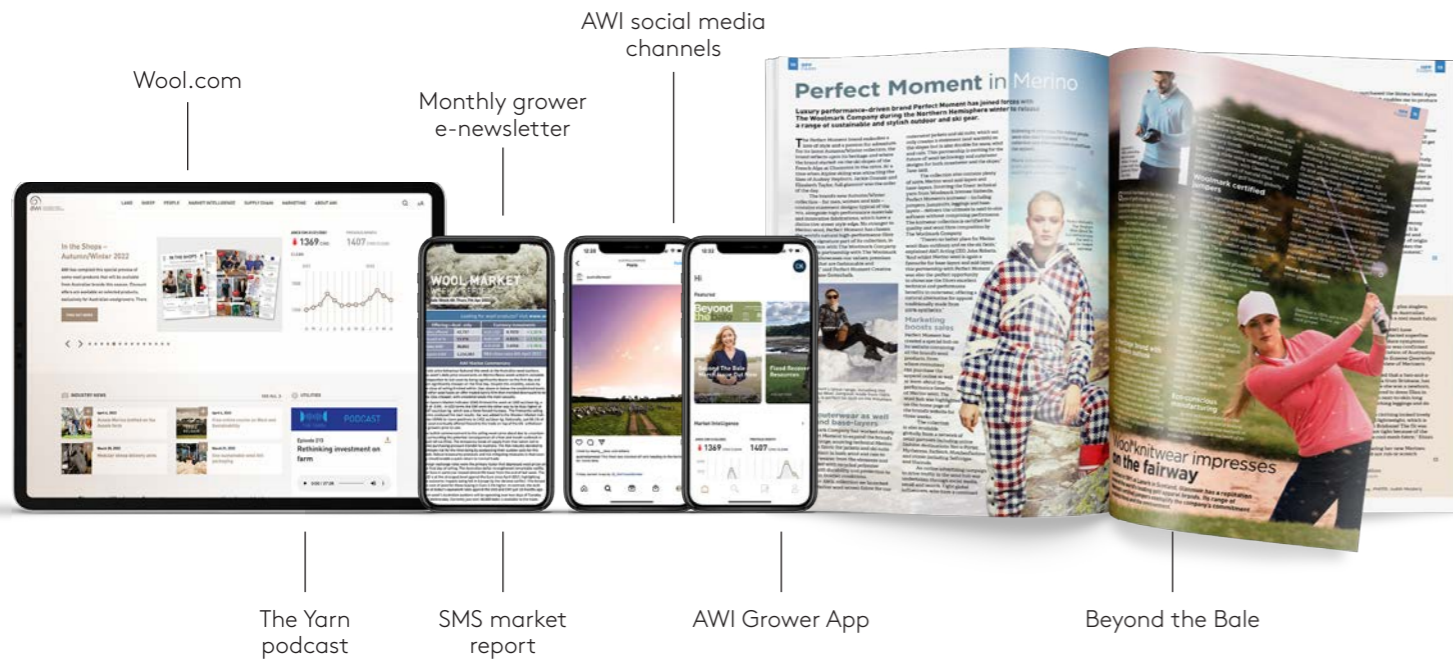
South Africa

- 7 Woolmark Learning Centre course completions
- 2022 International Woolmark Prize finalist

- Sheep Production, Science and Technology
- Processing Innovation & Education Extension
- Consultation
- Marketing
- Traceability

Stakeholder engagement

AWI continues to effectively engage with stakeholders in order to identify research, development, extension and marketing priorities and activities that provide benefits to industry. This means being open and transparent about how input and ideas from levy papers is incorporated into strategy design and the reasons for their inclusion or otherwise.



Measurement and evaluation

Measuring and evaluating the Strategic Plan

AWI is committed to providing quantifiable returns on woolgrower and government funds. The AWI Measurement and Evaluation (M&E) Framework defines the evaluation logic and operational processes and is publicly available through the AWI website. Our M&E process is based on the principle of continuous

improvement and refinement to the evolving needs of AWI and the greater industry we serve.

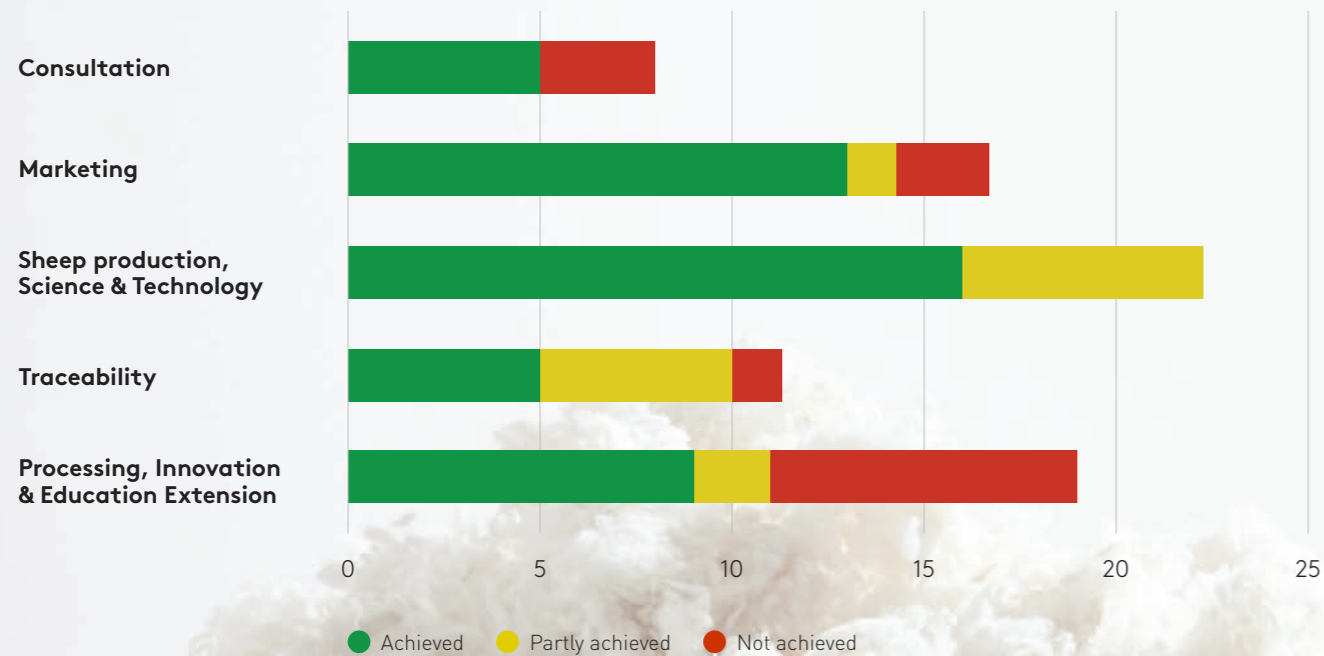
The 2019/20-2021/22 Strategic plan will be assessed, and a separate report will be prepared and shared with stakeholders later this year.

“Demonstrate positive outcomes and delivery of RD&E [and marketing] benefits to Levy Payers and the Australian community in general and show continuous improvement in governance and administrative efficiency.”



Research, development, extension and marketing

AWI undertook a diverse range of RD&E [and marketing] activities that incorporate risk assessments, and targeted returns on investment. Below is the summary of the achievements against the targets that were set in the 2021/22 Annual Operating Plan. For more details refer to the following pages (pg.XXX) of the 2021/22 Annual Report.



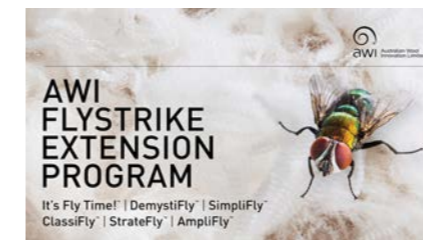
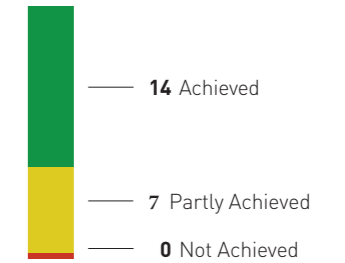
Note: programs not achieving their set targets were affected by a number of key factors including COVID-19 and the subsequent slowing of global commerce that significantly impeded AWI's performance as projects were delayed or ceased globally, and a reduction in AWI resources due to a combination of restructure and natural attrition.

SHEEP PRODUCTION, SCIENCE & TECHNOLOGY

\$11.6 million

Invested to lower the cost of production of wool on-farm by increasing the productivity of sheep and land, and increasing the efficiency of use of inputs and resources while maintaining Australia's reputation for sustainability.

PERFORMANCE AGAINST 2021-22 TARGETS



Flystrike vaccine

CSIRO with the support of AWI is about to complete the first three-year phase of research on the development of a flystrike vaccine. **CSIRO tested more than 50 prototype vaccines in the laboratory, narrowing them down to two prototype vaccines.**

Wild dog control

Due to the AWI Community Wild Dog Initiative and other 'on-ground' support, the long-term (2014-2020) **average reduction in losses to predation currently sits at 81%.**

Merino wether competitions

Merino wether competitions for school students are run in NSW, SA and WA with the aim to educate them about the commercial production of sheep. **1,200 students participated in the competitions in 2022.**

Genetic tools

44.7% of producers used genetic tools in their breeding program. **41.6% of producers** used at least one of the following tools: Merino Sire Evaluation, Ram Select, MERINOSELECT ASBVs, Genomic DNA Tests. A further 2.9% used wether trials.



Catch and drag

AWI has undertaken a project to develop a system that delivers sheep directly to the shearer, eliminating the time spent on the catch and drag and minimising the chance of injury to the shearer. The design focuses on a 'modular' concept in which portable singular shearing stands can be joined together to make a multi-stand shearing platform, which can be stored away after use.



National methane program

AWI is leveraging **\$3,000,000 of woolgrower funding to access up to \$6,000,000 of funding** from Federal Government grants and research partners to enable State DPLs and universities research to identify effective methane-mitigating feed supplements for grazing sheep.

Smart tags

Ram mounting algorithm developed. Ongoing research using smart tags to predict liveweight change showing promising results.

Hardware improvements:

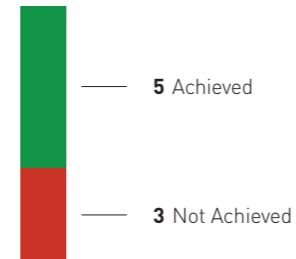
- Integration of GPS to improve location accuracy
- Tag to gateway range increased by using LoRa protocol

Consultation

\$3.8 million

Invested to build trust and transparency across the supply chain through an industry best-practice structure, targeted and measurable engagement model; and for this intelligence to influence, inform or contribute to AWI's business activities.

PERFORMANCE AGAINST 2021-22 TARGETS



Future Wool events

The woolgrower networks have assisted AWI to conduct more than 60 Future Wool events for groups of over 20 woolgrowers, directly **reaching more than 1,500 woolgrowers**.

Market intelligence

On the AWI website page, the Market Intelligence section received a **total of 127,048 views**.

Beyond the Bale

Beyond the Bale magazine was posted quarterly direct to about **36,500 Australian woolgrowers** and wool industry stakeholders.

Woolgrower survey

The 2022 Woolgrower Sentiment Survey showed that **65% of the woolgrowers** were positive about the future of the Australian wool industry.

Market reports

AWI sends wool prices and market intelligence direct to nearly **6,700 woolgrowers' mobile phones**.

Woolgrowers can subscribe for free at www.wool.com/sms.

Extension networks

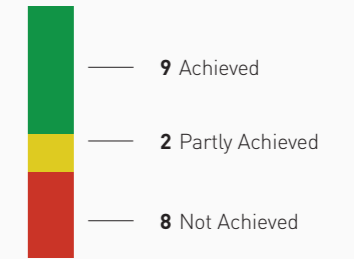
There are currently **15,927 active participants** in AWI state-based extension initiatives.

Processing Innovation & Education Extension

\$3.2 million

Invested to increase the profitability and sustainability of the wool processing and manufacturing supply chain and educate students, trade and retailers about the benefits of wool.

PERFORMANCE AGAINST 2021-22 TARGETS



Footwear developments

Wool shoe developments have been carried out with brands such as **Levi's, Onitsuka Tiger, Woodland, Birkenstock and Ugg**.

Retail training

60 retailers and brands were engaged in retail training globally.



Woolmark collaborations

The Woolmark Company collaborated with one of the largest international knitting machine company's, **Shima Seiki Italia S.p.A**, and four Merino wool yarn manufacturers – **Tollegno 1900, Zegna Baruffa Lane Borgosesia, Südwole Group and Loro Piana Yarns**.



Product developments

Engaged with various trade partners and developments took place in the following categories: **36 x knits; 21 x woven; 3 x automotive; 4 x workwear**.



Trade shows

Digital/hybrid trade shows/events had **1,092 visitors**.

Educational packages

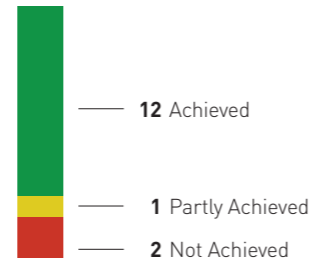
Smart tag booklet was produced and was circulated to various offices and was picked up as part of IWP and trade marketing.

Marketing

\$30 million

Invested to continue to build demand for Australian wool by reinforcing its position in the market and solidifying a strong price to ensure a sustainable future for Australian woolgrowers.

PERFORMANCE AGAINST 2021-22 TARGETS



Woolmark x Tracksmith

Running apparel brand Tracksmith, partnered with The Woolmark Company and has increased its Merino YoY usage by 76% in 2018, 60% in 2019, 55% in 2020 and a 40% increase for 2022.



International Woolmark Prize

The program for 2020-2021 has delivered a benefit-cost ratio of 1.9 with an estimated net return of \$2.1m (AUD). The 2022 program generated 2,448 press clippings (8% increase YoY).

woolmark.com

woolmark.com continues to provide an educational platform for both consumers and trade. The website saw 1.5M sessions throughout 2021/22, a 46% increase YoY.

Feel Merino campaign

58% of customers who purchased product on Amazon US were new-to-brand customers.



Woolmark x Onward

Onward AW21 E-commerce partnership saw 97,000 certified knitwear pieces, equivalent to around 59 tons of wool usage, and delivered an 8% sell-through improvement over average.

They are now planning another wool-centric campaign in AW22, that will additionally include wool coats representing an estimated 23 tons of yarn to be procured.



Woolmark x Zalando

The Woolmark Company partnered with Europe's largest online fashion retailer, Zalando, to showcase Merino wool to its customers to increase purchases of apparel products made from the fibre.

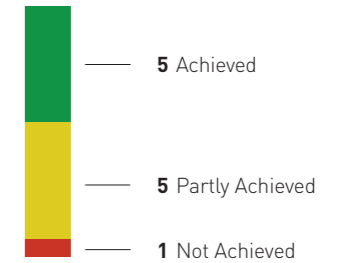
- 19.8 million impressions
- 717,000 wool hub views (30% increase YoY)
- +A\$1.5 million in revenue (50% increase YoY)

Traceability

\$2.5 million

Invested to provide tools to ease the flow of information about Australian wool up and down the supply chain to all parties; to communicate wool's benefits, facilitate provenance and supply chain transparency.

PERFORMANCE AGAINST 2021-22 TARGETS



Natural Capital Accounting framework

Regenerative ag case studies completed in NSW, Victoria and Tasmanian and paper submitted proposing an NCA framework.

Product Environmental Footprinting methodology

White paper identifying the shortcomings of the EU's PEF methodology and proposing solutions is complete.

AWI x Sportscraft

Australian fashion and lifestyle brand Sportscraft partnered with AWI to create and launch in May a 70-piece collection of traceable Australian Merino wool garments that champion the eco-credentials of the fibre and its journey from land to garment.

Everledger

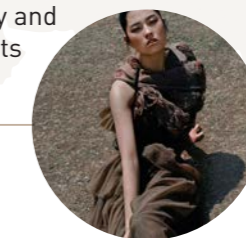
Everledger 'proof of concept' study completed using electronic data capture and blockchain technology and it involved over 20 market participants.

Uma Wang traceable Merino capsule collection allows consumers to trace garments from farm to fashion

The entire collection is ticketed with traceable QR codes for consumers to trace and track the authenticity and provenance of their garments



Technology was developed and supported by Everledger



Supply chain partners contributed data to the blockchain technology to ensure transparency throughout the journey from farm, to processing, to the wardrobe



In partnership with The Woolmark Company, UMA WANG launched a 18-piece wool knitwear collection, comprising skirts, sweaters, cardigans, vests and harem pants

UMA WANG
is one of China's top designer brands

'Lal Lal Estate'
Victoria, Australia

All of the Merino wool used in this collection was sourced from 'Lal Lal Estate' in Victoria

Governance

Planning and reporting of investments are done in line with legislative and Commonwealth requirements.

- Alignment with SFA, global entities and complying with all local statutory reporting requirements.
- Annual Report and Performance Report are conducted yearly showing the breakdown of the investments.

- Updates in legislation are reviewed and checked for any impacts to the business with any relevant policies/processes updated accordingly.

Overarching Fraud and Risk Framework in place, risks updated on a six monthly basis and new Board Risk Appetite Statement updated on wool.com

Relevant policies and procedures adopted and implemented



Policies and protocols in place: 56



Culture trainings – 93.5% global employees trained in WHS, Anti-bullying and Harassment, Discrimination



New policies that have been adopted in 2021/22: 1 – ‘Collaboration Framework’ (October 2021)



New HR system ‘BoB’ launched



Woolmarkable Reward and Recognition platform launched (March 2022)

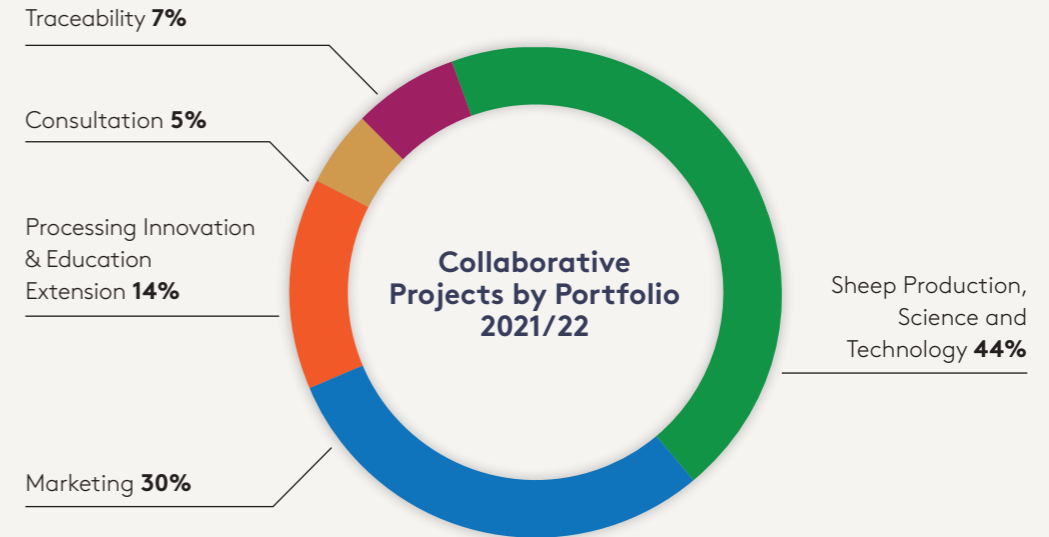


During the year, 94.5% of our employees across the group were trained on our Modern Slavery Training



During the year, 98.5% of our employees across the Group were trained on our Code of Conduct Training

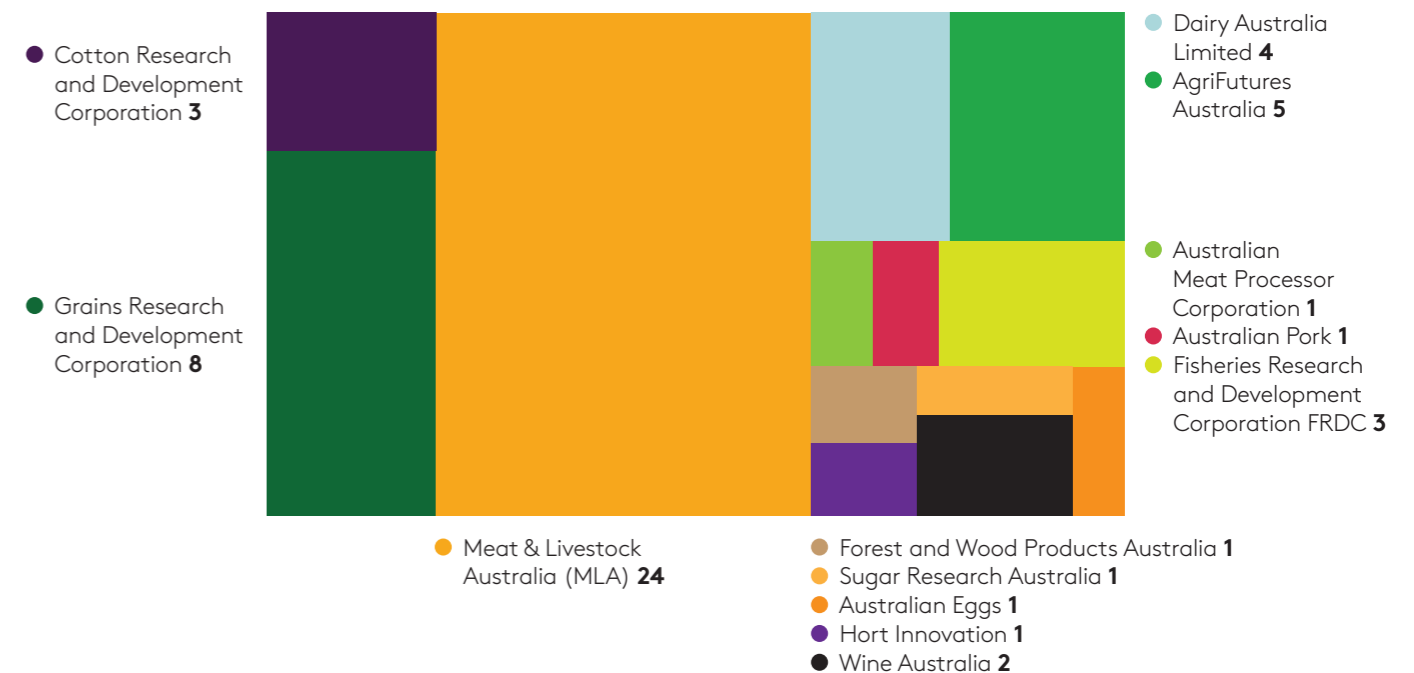
Collaboration



In the 2021/22 financial year, one in three projects AWI implemented **were collaborative** in nature. Collaboration makes AWI investments more efficient and effective by reducing duplication, maximising leverage, and providing a greater platform for adoption.

Rural Research Development Corporation (RDC) Collaborated Projects

55 collaborations with RDCs across 25 projects



Collaboration



Woolmark x Shima Seiki

The Woolmark Company collaborated with one of the largest international knitting machine company's, **Shima Seiki Italia S.p.A**, and four Merino wool yarn manufacturers – **Tollegno 1900, Zegna Baruffa Lane Borgosesia, Südwole Group and Loro Piana Yarns**. The protection wear collection comprised four outfits that highlight the suitability of Merino wool as a natural and performance fibre suitable for a modern, urban look and to showcase the latest knitting technology from Shima Seiki as well as Woolmark-certified Merino wool yarns. The collaboration was promoted via all partner social media as well as trade press. **The collaboration proved to be extremely effective, in promoting the benefits and versatility of Merino wool, in both Italy and international markets.**



AWI x Royal Agricultural Society

AWI partnered and supported the Royal Agricultural Society in their Ag in a Box and Farm Days which is designed at lifting the lid on a

world of agriculture for school students. Through initiating a hands-on experience, students were able to explore agricultural technology and engage in food and fibre production workshops. The collaboration was a massive success and impactful with AWI delivering over **45 sessions to over 675 students over the two-week period.**



Woolmark x Victoria Beckham

The Woolmark Company partnered with fashion icon and luxury brand Victoria Beckham to drive awareness for Merino wool's soft and sustainable benefits through a collaborative collection and promotional campaign which included social, digital and PR extensions. The communication centred around the collection being the brands first traceable collection made with 100% Merino wool and natural dyes, which **generated 291 media clips, valued at \$2,400,000 editorial value.** The Merino messaging was amplified across the Victoria Beckham's social and digital platforms reaching **59 million impressions, 3.3 million video views and 31k webpage views** for the Woolmark.com. The Merino wool collection was retailed across 42 international stockists.



Woolmark x Benetton

TWC partnered with iconic brand Benetton for a second year to promote the modernity and durability of Merino wool across its vast store network. The project included print advertising campaign, customer engagement (500k subscribers) digital targeting and POS across **1,500 stores and 30 window installations in premium areas.** The results were outstanding generating **+77% YoY units and +83% YoY sales.**



Woolmark x Cubus

Cubus is a Norwegian retail chain, operating in the low-price textile segment for families. They have a total of 290 stores across the Nordic region and a loyalty program "**Cubus Friends**" of **2,800,000 members.** The gross turnover for the CUBUS brand is 4 billion NOK. TWC Partnered with the brand for the A/W 2021 Merino program which included POS, influencer amplification, retailer education, Merino wool digital hub and social targeting resulting in a **41% increase in Merino sales and doubled Merino order for 2022.**



Dryland Legume Pasture Systems

AWI invested \$500,000 in an \$18m project with DAWE, GRDC and MLA to develop novel pasture legumes and increase their adoption in the low and medium rainfall areas of southern Australia. Along with the funding bodies, research partners Murdoch University, SARDI, CSIRO, DPIRD, Charles Sturt University, and 10 grower groups from WA, SA, VIC and NSW were also engaged in the project. **More than 9,000 growers were engaged** in a variety of extension activities throughout the lifetime of the project. **CSIRO modelling estimates that 135,000 ha of novel legumes will be sown in 2022** and that the project target of 1m ha of novel legumes sown by 2026 will be met.

Credit: Philip Quirk



Nutritive value of modern crop stubbles

Crop stubbles are an important summer feed though they are notoriously variable in quality. AWI In conjunction with **MLA, CSIRO produced a stubble grazing guide and a Stubbles Grazing Calculator with information of the nutritive value of modern crop cultivars to estimate the number of grazing days for adult sheep on wheat stubbles.** Both the guide and the calculator can be accessed at wool.com/stubbles.

AIA – Agri-Climate Outlooks

Alongside other Rural RDCs, **AWI is co-funding a four-year \$8m project led by Agriculture Innovation Australia and undertaken by the Bureau of Meterology.** The elements of the project that AWI have elected to fund will improve the base model for climate forecasts and develop a confidence tool to better facilitate woolgrowers in mitigating climate risk.



Merino Lifetime Productivity Project

The Australian Wool Innovation (AWI) funded MLP project is a 10-year venture between AWI, the Australian Merino Sire Evaluation Association (AMSEA), nominating stud Merino breeders and site partners. **The MLP project runs at five sites where the performance of 5,700 ewes, that are the progeny of 134 AI sires, are tracked through life as they proceed through four to five joinings and annual shearings.** The five sites are:

- **Balmoral, VIC** Partners – Tuloona Pastoral and Balmoral Breeders Association
- **Pingelly, WA** Partners – Murdoch University/University of WA and Federation of Performance Sheep Breeders (WA Branch)
- **MerinoLink, Temora NSW** – Partners Moses & Son and MerinoLink Inc.
- **Macquarie, Trangie NSW** Partners – NSW DPI and Macquarie Sire Evaluation Association
- **New England, NSW** Partners – CSIRO and New England Merino Sire Evaluation Association



THE PERFORMANCE REPORT IS AVAILABLE ON
wool.com