Australian Wool Innovation Limited

AWI BUSINESS UNIT UPDATE

OCTOBER 2022

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Australian Wool Innovation (AWI) is the not-for-profit industry owned Research and Development Corporation (RDC) working throughout the worldwide wool supply chain on behalf of Australian woolgrowers to increase their long-term profitability.

Internationally we are better known as the Woolmark Company with 16 offices globally in key wool markets. The Woolmark Company focuses on fostering talent, developing new innovations, and helping businesses realise the benefits of Australian Merino wool. It is one of the world's most recognised brands.

AWI's stakeholders range from growers here in Australia to mills in Europe, China plus global fashion brands. We leverage that extensive network to gather important insights that we share with our primary stakeholder, the woolgrowers of Australia.

As the Covid-19 restrictions have rolled out across Australia over the past 18 months 100 per cent of AWI's focus has been on the livelihoods of woolgrowers' ability to get the wool off their sheep and to effectively sell it.

AWI directly communicates regularly with growers. This ranges from wool market reports posted online and sent out via text message, to our quarterly magazine Beyond the Bale (hardcopy & online). In addition we provide a monthly e-newsletter and have a strong presence across social media including Facebook, Twitter, instagram and YouTube. AWI has recently launched a Woolgrower App and regularly conducts Webinars.

This quarterly business unit update is designed to provide key stakeholders with a snapshot of AWI business units and insights into key projects.

1. MARKET ANALYTICS

PRODUCTION

The new season 2022/23 is under way with the second month of testing by AWTA Ltd continuing the trend of better production (throughput) of wools being tested. The month of August 2022 has seen the monthly comparisons of total grower sale lots, bales and weight tested for August 2022 compared with the same period last season are:

+12.4%, +11.3% and +11.3% respectively.

The progressive comparison of total grower sale lots, bales and weight tested for July 2022 to August 2022 compared with the same period last season are:

+11.7%, +11.1% and +11.0% respectively.

AWTA Ltd has tested 47.8 mkg (million kilograms) this season compared with 43.0 mkg for the equivalent period last season.

AUCTION VOLUMES

At auction, AWEX reports by the second last sale week (Week12) of September of the 2022/23 selling season has:

- **OFFERED** 380,132 bales at auction this season compared to the 342,659 bales at the same point of time last year. That is 37,473 bales (approx. +6.7mkg) more or 10.9% more wool offered or an average of 4,164 bales extra offered per sale week compared to last season.
- **SOLD** 380,132 bales at auction this season compared to the 342,659 bales at the same point of time last year. That is 37,473 bales (approx. +6.7mkg) more or 10.9% more wool offered or an average of 4,164 bales extra offered per sale week compared to last season.
- a clearance rate of 84.0% of all wool offered has been cleared to the trade in 2022/23 season thus far, compared to the 82.6% cleared over the same period of the 2021/22 season.

WOOL PRICE

Since the commencement of the new season, the Eastern Market Indicator (EMI) has depreciated from 1407ac/clean kg to a closing basis halfway through week13 (28th Sept 22) at 1259ac/clean kg. This is a seasonal loss so far of 148ac or 10.5% in Australian dollar terms. (1ac lost because of the AWEX rebasing.)

The demand indicating and more relevant number of the USD EMI has fallen from 955usc/clean kg at the start of the season in July to a closing basis halfway through week13 (28th Sept 22) at 807usc/clean kg. This is a seasonal loss thus far of an identical to the ac loss of 148usc, but an even higher degradation of real raw wool value of 15.5% in US dollar terms.

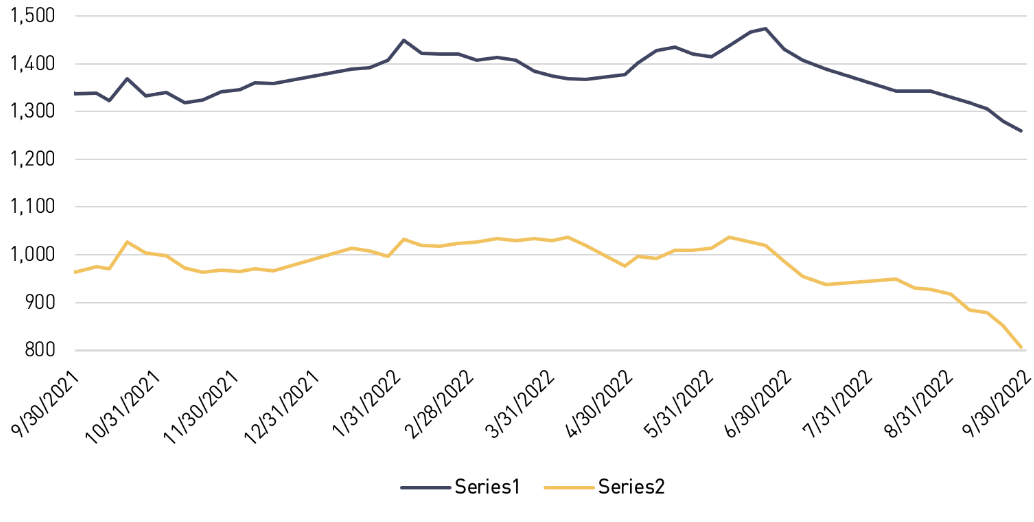
Wool prices are overall being hampered by lousy global macroeconomic conditions now with the headline inflation figures, subsequent interest rate hikes and the swiftly rising cost of finance and thence energy.

The supply on offer has not helped the falling price levels (15.5% more wool sold through the first 3 months of this season) but in isolation this is low on the factors affecting AUD prices.

Many brokers are reporting quite a high percentage volume of the wool being held in brokers stores are the purchased lots from exporters and buyers, either waiting for shipment or even worse, waiting to be sold on.

In addition to the economic factors negatively impacting wool, a troubling situation is current with the lack of first stage top-making space in Europe preventing the "Euro types" at auction getting the premiums they normally receive. The main mills of Romagnano, Verrone, Lempriere Bulgaria and Mediterranean in Egypt are apparently booked out and no space at all is available till at least April/May. This is just not affecting commission combers, but the mill owners themselves.

The trend of a struggle to sell and move volume through August/September has continued into the 4th straight season. Unfortunately, this time coincides with some of our busiest shearing times of the year, and most growers want to shear and sell. This seller strategy has been borne out by the relatively low passed in rates seen through the falling market of the first 3 months of the 2022/23 season.



12-months EMI (AUD & USD)

FOREX

The uncertainties that were facing the greenback in August 2022 quickly dissipated through late August and all through September. As the US Fed reserve pushed the prime cash interest rate higher (+ another 0.75% at end September) as the proposed inhibitor to inflation running out of control, all other major currencies in wool trading (AUD, RMB and EURO) continually lost value as global investors flee to the safe haven of the US Dollar and gold as a safe parking spot for capital, as the world heads into what is now a likely global recession.

Of major concern to wool, and of course the pricing in Australian dollar terms back to our growers, is that the dampening and lowering effect is coming from mainly the RMB to USD to AUD route. Most Chinese users buy USD on demand from the local renminbi finance so they are exposed to the large deflation/worth of the RMB compared to the international tradeable USD.

Renminbi to United States Dollar

AUCTION

The season to date strong purchasing coming from the two largest Chinese top makers - Tianyu and Redsun has continued throughout September, with Tianyu in particular a "market saving" buyer towards the end of September. Without their strong buying, the market would have suffered considerably more.

Combined they account for around 17%% of direct purchasing on top of the forward contracts they write with Australian traders. Techwool Endeavour and Fox and Lillie remain the key trader exporters with Techwool once again dominating the seasonal buying and accounting for around 13% of the auction sales.

Throughout the August/September period, all other buyers away from the top five remained cautious at best in regards to their auction activity. With the relatively prohibitive coats associated with holding wool in Australia for any length of time, almost all were reticent to place any buying into inventory and relied on buying for sold orders or indents from overseas.

Week 13

NATIONAL Weekly Buyers List

www.awex.com.au

Wednesday, 28 September, 2022

AWEX we know wool

		Week 13							Season to Date										
	Auction Buyer	AU MFLC	AU XBFS	AU MSKT	AU ODDS	AU ALL	NZ	ALL	AU MFLC	AU XBFS	AU MSKT	AU ODDS	AU NORTH	AU SOUTH	AU WEST	AU ALL	NZ	ALL	%
1	Techwool Trading	683	78	111	71	943		943	27,535	5,770	8,577	2,934	14,542	22,196	8,078	44,816	1,388	**46,204**	13.3%
2	Tianyu Wool	2,797	29	599	18	3,443		3,443	27,484	1,815	6,948	161	16,284	14,285	5,839	36,408	282	**36,690**	10.6%
3	Endeavour Wool Exports	485	161	406	133	1,185		1,185	18,817	4,610	8,665	4,079	14,821	16,680	4,670	36,171	87	**36,258**	10.4%
4	Fox & Lillie	342	90	160	197	789		789	11,390	5,518	6,023	4,696	9,496	18,088	43	27,627	746	**28,373**	8.2%
5	Australian Merino Exports	125	66	74	71	336		336	12,482	4,164	4,292	1,147	9,263	12,084	738	22,085	164	**22,249**	6.4%
6	Sequoia Materials	908		249	15	1,172		1,172	15,613	296	4,597	399	9,311	7,021	4,573	20,905	195	**21,100**	6.1%
7	PJ Morris Wools	188		27		215		215	16,285	95	1,653	272	2,588	8,374	7,343	18,305		**18,305**	5.3%
8	Meliwa	191				191		191	16,356	54			4,790	6,507	5,113	16,410		**16,410**	4.7%
9	Michell Wool	113	151	30	320	614		614	2,699	4,528	1,420	7,018	4,958	8,637	2,070	15,665		**15,665**	4.5%
10	United Wool Company	66	195	179	189	629		629	2,501	2,679	3,307	4,708	1,389	10,583	1,223	13,195	12	**13,207**	3.8%
11	Kathaytex Trading	60	5	39	5	109		109	7,781	2,002	1,464	36	4,015	6,398	870	11,283		**11,283**	3.2%
12	G Schneider Australia	332	27	86	6	451		451	8,185	768	762	343	5,757	3,804	497	10,058	123	**10,181**	2.9%
13	Pelican Australia	6	236		19	261		261	580	8,623		294	1,756	7,741		9,497		**9,497**	2.7%
14	Modiano Australia	545	107	67	5	724		724	2,604	5,025	371	108	3,199	4,909		8,108	670	**8,778**	2.5%
15	Westcoast Wool	15	67	71	18	171		171	2,017	447	2,587	774	962	715	4,148	5,825		**5,825**	1.7%
16	United Non-Mulesed								353	777	56	155		1,221	120	1,341	3,445	**4,786**	1.4%
17	Watswool	3	9	39	28	79		79	108	560	2,320	1,721	1,707	2,960	42	4,709		**4,709**	1.4%
18	VBC Wool	168		7		175		175	3,970		367	4	2,032	2,155	154	4,341	91	**4,432**	1.3%
19	Natsun (Nanshan)	221				221		221	4,087	165			1,200	3,052		4,252		**4,252**	1.2%
20	Hillier Wool								4,079				4,079			4,079		**4,079**	1.2%

2. ON FARM RESEARCH

Research, development and extension within the program areas of Sheep Health and Welfare, Vertebrate Pests, Reproduction and Nutrition, Genetics and Agri-technology. Investment focus updates of significance from August 2022 report are detailed (as listed in AWI Operating Plan pgs 11 to 19).

Ramping up the delivery of grower extension on flystrike management and breeding for flystrike resistance to reduce risk:

- ClassiFly workshops still in pilot stage.

Training growers and agriculture advisors in moving to a non-mulesed enterprise:

- This focus addresses the Wool 2030 target of growers having the confidence and tools to manage flystrike without mulesing:- StrateFly and AmpliFly resources in early stage development.

Flystrike vaccine development:

- In vivo sheep trials showing efficacy below 15%
- ParaBoss website and online resources are more accessible to growers:
- AWI, MLA, AHA collaboration ongoing.

Sheep Sustainability Framework online progress reporting dashboard development:

- Annual report published ssf-update-22 (sheepsustainabilityframework.com.au) ; dashboard in development

Commission additional research in flystrike management tools targeting the viability of the fly including chemical resistance:

- Sterile Insect Technique contract under negotiation and Chemical Resistance Modelling contracted.

Provision of vertebrate pest/wild dog control coordination co-funded with other sectors in states or regions where coordination is newly, poorly or inadequately established:

- National Wild Dog Management Coordinator and, North East NSW, Victorian and SA Coordinators funded.
- Support for national organisation wide pest management initiatives which address issues facing the wool and sheep industry:
- National Wild Dog Action Plan supported

Provide wool industry appropriate support to on-going integrated rabbit control:

- Funding allocation towards Centre for Invasive Species Solutions rabbit program.
- Improve the understanding of the use of hard seeded legumes in low rainfall environments to give woolgrowers greater options to manage a variable climate:
- Final report estimates 135,000 ha of novel legumes sown In 2022.

Invest In pasture and forage plant genetic resources to enable researchers and plant breeders to better access and utilise germplasm for the benefit of the wool industry:

- Australian Pastures Genebank funded within RDC collaboration.

Release updated Information to industry regarding ewe condition score (CS) targets for joining and the value of feeding to improve CS:

- No update

Updated pregnancy scanning materials released to industry which promote pregnancy scanning for multiples and preferentially manage ewes based on pregnancy scanning:

- Final report delivered and publication with collaborators in progress.

Tools made available to growers to assist them In choosing pasture species suited to their region and production system:

- Updates with research findings in progress

Research tools and practices to mitigate GHG emissions from the sheep industry:

- First asparagopsis pen study commenced.

Increasing reproduction outcomes through an increased weaning rate by 0.5 percentage points per year:

- due to be reported from MERINOSELECT data of 30th June 2023.

Increasing overall wool growing productivity through an increase of 4 Index points per year:

- due to be reported from MERINOSELECT data of 30th June 2023.
- Breeding for increasing flystrike resistance through increasing the phenotyping of Merino breech wrinkle, dag, stain and cover:- due to be reported from MERINOSELECT data of 30th June 2023.

Maintaining confidence in the MLP project and AGBU analysis:

- MLP retains its broad consultation with breeders, commercial growers, classers and researchers through the MLP Industry Steering Committee and Analysis and Reporting Committee - meetings held 6th and 7th July 2022.

Wool harvesting innovation alternative and or innovative solutions to increase shearing efficiency and improve shearer and or animal welfare:

- Biological wool harvesting contract in negotiation.
- Develop or adapt new technologies to increase sustainability and wool production efficiency:
- Laser crutching research contracted. Project to develop an on-farm tool to measure fibre diameter contracted

Support the development of data platforms and support tools to optimise decision making:

- Participation In the Australian Agrifood Data Exchange project.

Improve technology adoption by increasing awareness and capacity:

- No suitable project at this time.

3. INDUSTRY DEVELOPMENT

TRADE SHOWS

As we move into a heavy Trade Show period, planning is underway for the following upcoming trade shows:

- **European Outdoor Summit, France** (6-7 October)
- **FDCI x LFW Innovation Hub, India** (12-16 October)
- **Sustainable Fashion Expo, Japan** (18-29 October)
- **Textile Innovation, Korea** (19 October)
- **Japan Creation, Japan** (1-2 November)
- **Performance Days, Germany** (3-4 November)
- **ISPO Munich, Germany** (29-30 November)

WOOL4SCHOOL

The 2021/22 Wool4School Design competitions have concluded in Australia, Italy and UK. Student participation numbers were down on previous years due to the Covid-19 global pandemic. The quality of submissions was very high. Students were asked to 'Design for their hero', each winner's design is created into a digital 3D avatar, see winners below:

AUSTRALIA

Ksenia Cosmo,
Melbourne Girls Grammar School

HERO: Courtney Act and Elton John

ITALY

Giacomo Bussani,
Liceo Artistico E.U. Nordio

HERO: His Mother, Michela

UNITED KINGDOM

Eva Hays,
Invicta Grammar School, Kent

HERO: singer-song writer Harry Styles

WOOLMARK LEARNING CENTRE (WLC DIGITAL PLATFORM)

New course content development continues:

- Price Risk Management (Growers)
- Introduction to Printing (Fashion and Design) will be launched by end of 2022
- Seamless Knitting (Fashion and Design) will be launched by end of 2022

4. TRACEABILITY & WOOLQ

Since the last update, the public announcement has been made that AWI and AWEX will work together to integrate a sole digital speci for the industry. On the back of this work, WoolQ's re-engagement with the industry has begun with a webinar held on the 27th Sept, with 160 registered and 75 unique viewers turning up.

There will also be engagement at the broker and buyer forum days, as well as further face-to-face engagement with brokering companies to work through recent developments and gather feedback.

Recent developments include:

- Category Indicators
- Broker facing Ready Reckoner
- ncorporating Quality Assurance Schemes into the Ready Reckoner
- Price Risk Management
- WoolClip integration updates

Work with Everledger continues to build a tool for Woolmark Licensees to track and trace their wool supply chain. The first release of this tool is set for December 2022.

Engagement continues with WPA's Traceability Report Steering group involving AWTA and AWEX to progress recommendations from last year's report.

5. EMERGING MARKETS

Vietnam – numerous technical workshops are in planning stages with key supply chain partners such as YoungOne and Da Lat Worsted Spinning (Suedwolle) as well as marketing projects with local Vietnamese brands to help position wool as a luxury fibre in a fast-growing consumer market

Cambodia – The Merino Wool Awareness Day Event was held on 16th September in Phnon Penh in conjunction with the Garment Manufacturer's Association Cambodia. There were 36 attendees from students, garment manufacturers and the Australian Embassy. AWI will also start product development with Dewhirst who are a suit maker and garment supplier to Nike and M&S.

Bangladesh – AWI visited Bangladesh in early September to meet with various textile associations, knitters, spinners (cotton) and YoungOne Corporation. Scoping out promotion of Woolmark in Bangladesh textile industry via publications and website, wool spinning trials with spinners and assisting YoungOne with the planning for the installation of a combing plant in their Chittagong facility.

6. FIBRE SCIENCE

EUROPEAN UNION (EU) PRODUCT ENVIRONMENTAL FOOTPRINTING (PEF)

Over the last three years AWI/IWTO has been engaging with the EU to influence and improve PEF methodology to help create a level playing field for wool products in this proposed textile rating scheme.

The EU is a large organisation and we've found it necessary to engage at each level in their decision-making structure.

Red level – European Parliament & Council of the European Union

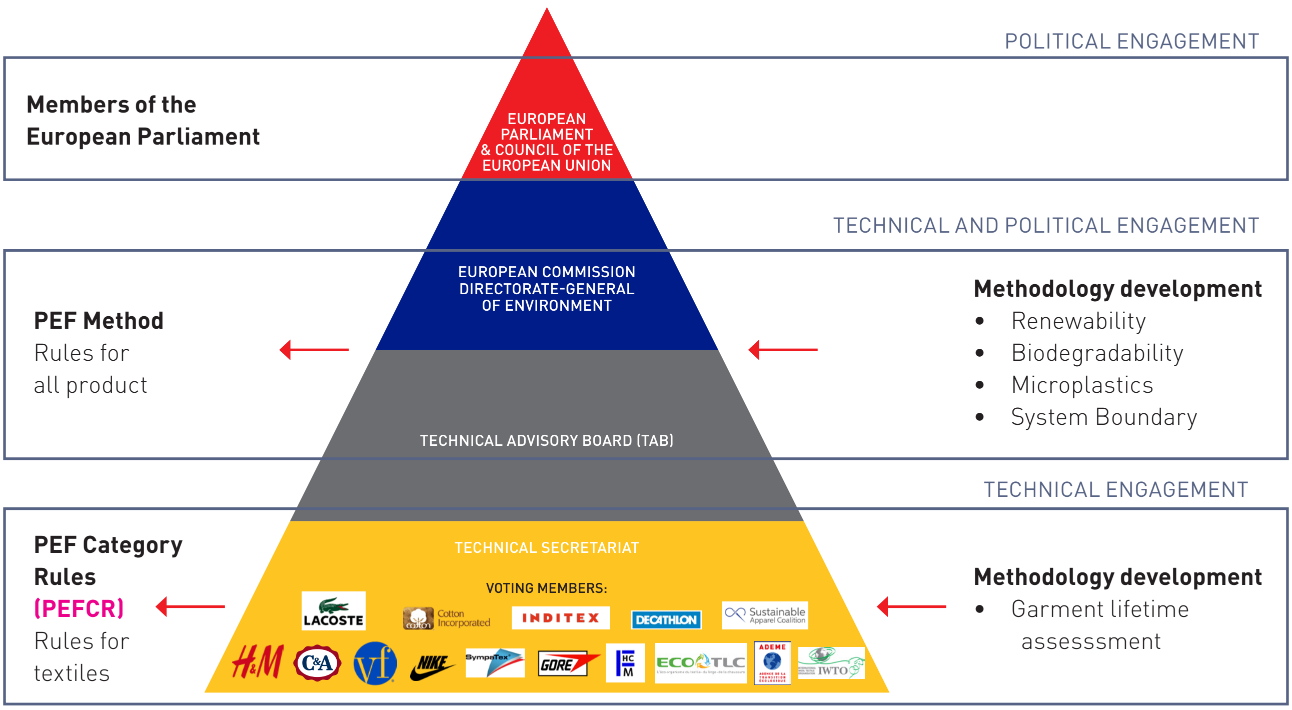
Good engagement is occurring with Members of the European Parliament through the Make The Label Count campaign (MTLC).

The EC has responded to the MTLC white paper which highlighted the limitations of PEF – their main goal being to argue against inclusion of new indicators in PEF (for plastic waste, circularity and microplastics) by suggesting they already are or will be included at some future stage.

Response to these criticisms will be through an opinion piece published in a Brussels-based political magazine.

Blue and Grey Levels - Directorate-General of the Environment (DG ENV) and Technical Advisory Board (TAB)

The PEF process is overseen by the EU Directorate-General of the Environment which in turn relies on the Technical Advisory Board (TAB) to validate adoption of any new methods. Engagement is currently underway with DG ENV staff reviewing the LCA datasets they intend to use for account for the wool industry's environment impacts in PEF. We have identified significant flaws, such as overestimating the GHG emissions from wool by a factor of four. This is a massive problem and after numerous communications by email a meeting is being planned between their and our LCA experts to discuss (and hopefully) address this error.

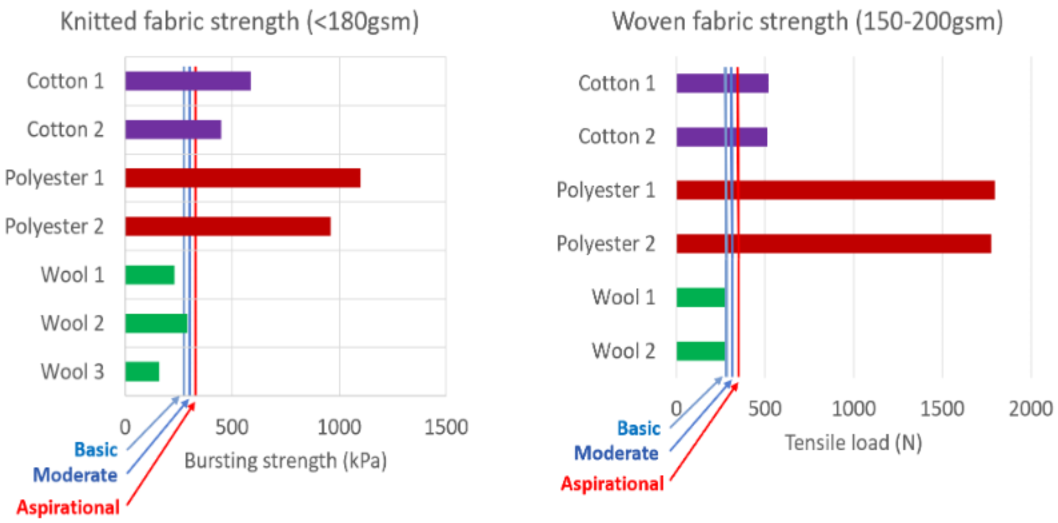


Engaging with EU on PEF

Yellow level - Technical Secretariat (TS)

The PEF Technical Secretariat for apparel and footwear is led by SAC, with its voting membership largely dominated by SAC members.

We are leading two PEF working groups proposing methodology to improve accounting for the durability attributes of clothing. If successful, this change will diminish the overriding influence of the physical strength of garments on the overall PEF score, which significantly advantages clothing made from synthetic fibres.



Accounting for duration of service (based on HIGG)

Tenacity testing if matched garments - made from different fibres

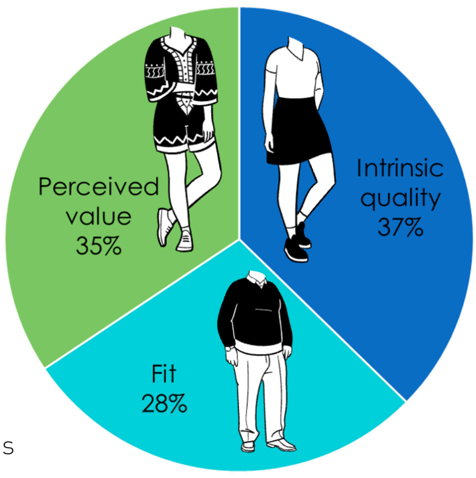
A. Physical Durability WG

AWI's Wool LCA Technical Advisory Group (TAG), has been building evidence to help influence methodology. For example, the TAG's work has involved sourcing and testing a range of matched garments made from wool and other fibre types to demonstrate that garments made wool and other animal fibres will be unfairly disadvantaged by lifespan estimates based primarily on physical durability testing – as per below.

B. Holistic Durability WG

This AWI-led working group aims to broaden the definition of durability used in PEF to include the key reasons for garments reaching end-of-life, according to consumer research. If successful, the weighting of durability attributes proposed in the figure below will help correct the current over-weighting given to physical durability testing – which unfairly advantages products made from synthetic fibres.

DURABLE VALUE
Garments whose perceived value remains high over the life of the garment



PHYSICAL DURABILITY
Garments with sufficient intrinsic quality to not wear out and last a long time

DURABLE FIT
Garments whose fit characteristics extend the duration of service

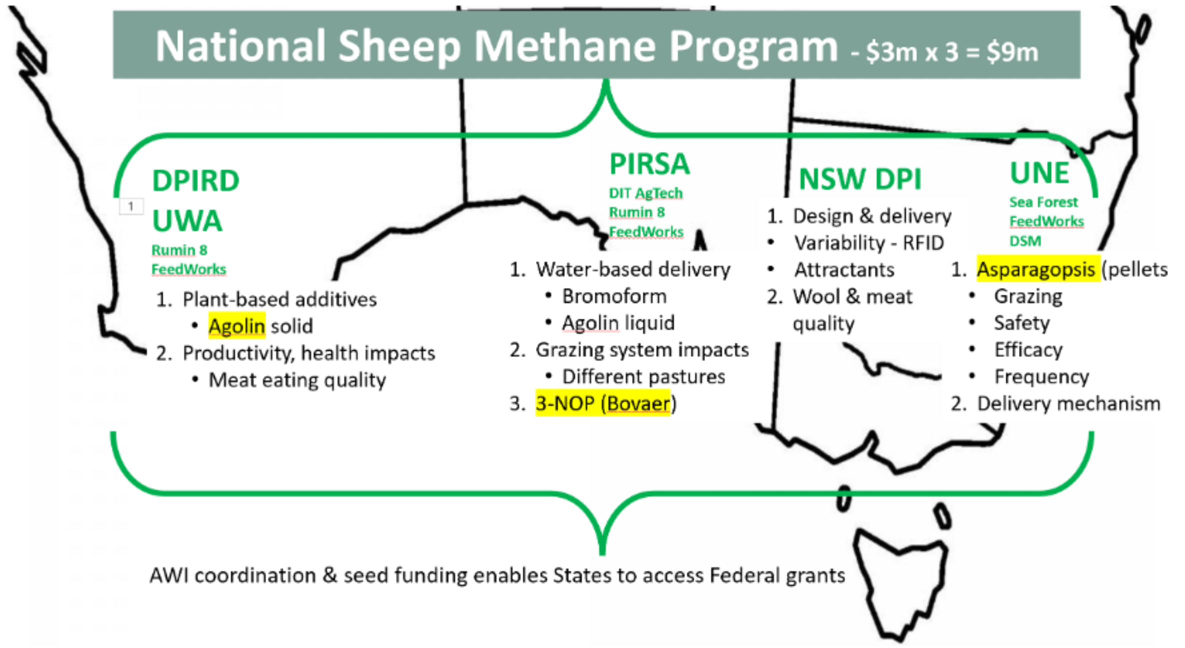
Holistic Durability Working Group (IWTO, H&M, C&A, Inditex & FHCM)
Why consumers discard garments?

MITIGATING-METHANE SUPPLEMENTS IN GRAZING

AWI has committed $3m to this area of research, given the significant potential to reduce GHG emissions, and is seeking to magnify it to $9m through accessing Federal Government grant funding and funding from research partners.

After success in gaining a grant of $500k in the government's MERiL 1 for the UNE-based study of the methane mitigating potential of Asparagopsis, AWI has provided letters of support to NSW DPI, SARDI, UWA and UNE to help enable them to access MERiL 2 and 3 grant funding - with the goal of ensuring at least two viable methane mitigating feed supplements are available to the sheep industry within 5 years.

However, with the recent change in Federal Government, decision-making on MERiL 2 and 3 grants is delayed and we are yet to hear whether we've been successful.



Highlighting wool's circularity – Extended Producer Responsibility (EPR)

This data-gathering project to help The Woolmark Company capitalise on the upcoming EPR legislation in Europe which makes brands responsible for the end-of-life costs of the clothing they sell, is complete. Circularity is a natural strength for wool and is a theme that can be used to promote increased use of virgin wool. We have identified the stakeholders in the recycled clothing supply chain to participate in a video that will be used to highlight the advantages of wool recycling in an EPR-mandated Europe.

Regenerative Farming Practices

Responding to strong market signals from brands for wool growers to demonstrate adoption of farming practices that build natural capital, sequester carbon in soil and vegetation and re-build biodiversity, two projects have been initiated:

a) Farming for the Future – this collaborative project is designed to develop evidence that quantifies the relationship between on-farm natural capital and business outcomes, including profitability and resilience. The first phase involves at least 150 farms which may then be extended to 1500 farms. The project will generate a publication on the management of biodiversity on livestock farms with a focus on woolgrowers.

b) Carbon Storage Partnership – this collaborative project will utilise multiple years of satellite imagery and farming systems models to identify the most effective adaptations to reduce net farm greenhouse gas emissions and increase biodiversity, depending on agro-ecological region, prevailing climate type and across different sheep enterprise mixes.

The researchers in both projects have recruited the wool growers who will participate in the study and are now undertaking the on-farm case studies.

7. EXTENSION NETWORKS

2022 continues to be a mixed bag in terms of production and industry challenges which is giving AWI's extension networks plenty to deliver for woolgrowers. Whilst many regions are experiencing much higher than average rainfall, and flooding in a lot of cases, a number of regions are drier than usual and still chasing decent falls to finish crops and set up spring feed.

AWI's six state grower extension networks are directed by a Producer Advisory Panel (PAP) of woolgrowers and industry partners that discuss on-ground feedback and priorities and what is required to be delivered to woolgrowers in their state. The feedback from the PAP then directs the annual operational plan for each Network.

The Networks continue to offer a hybrid delivery model, taking advantage of technology where it makes sense and suits the content and the target audience, but relishing the opportunity to be able to get out with growers and deliver in-person where it's believed that will have the greatest impact.

The extension networks have been busily rolling out the on-ground activities from the AWI Flystrike Extension Program in the last few months. 12 SimpliFly™ workshops had been delivered at the time of this report, with preliminary evaluation showing:

- Satisfaction = 8.9/10
- Value = 8.7/10
- Likelihood to recommend SimpliFly™ to others = 9/10
- Improved confidence to manage flystrike as a result of attending SimpliFly™ = 82% of attendees

8. WOOL HARVESTING

The AWI board has approved an increased funding budget for wool harvesting and an extended 3-year program with $10.5 million to be invested in wool harvesting training over 3 years. The increase in funding and the expansion of training to include high schools will allow for a more sustainable workforce for wool growers.

The 3-year strategic plan for wool harvesting training is:

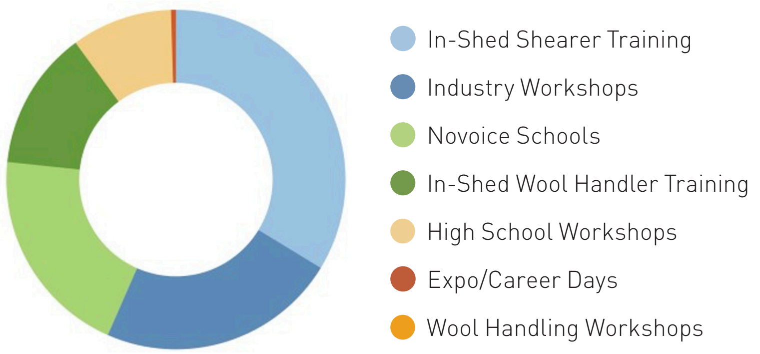
"For AWI to offer a pathway to enter the industry, provide a structured and accountable training model, attracting the next generation and retaining these new entrants for a sustainable wool harvesting workforce."

	Number of People Trained	Number of Training Days
NSW	516	146
VIC	148	68
WA	223	57
SA	150	42
TAS	28	11
QLD	6	4
TOTAL	1071	328

Training Data by State (FY 2022-2023 YTD)

Activity Type	Number of People Trained
In-Shed Shearer Training	361
Industry Workshops	245
Novice Schools	215
In-Shed Wool Handler Training	142
High School Workshops	103
Expos/Career Days	5
Wool Handling Workshops	0
TOTAL	1071

Training Data by Activity (FY 2022-2023 YTD)



Number of People Trained by Activity Type (FY 2022-2023 YTD)
1,071 Total People Trained, 7 Activity Types

10. MARKETING

CONSUMER MARKETING

AUSTRALIA CAMPAIGN

The 'What it Takes' campaign was released 22nd August to show Australians that the world's best wool is produced right here in our own backyard and to remind the tens of thousands of woolgrowers that their passion and livelihood is an integral part of Australia's economy.

The 30-sec advertisement showcases the unique versatility of Australian wool across performance, defence and next-to-skin categories and features a selection of local brands such as IO Merino, Merino Country, Sportscraft and Pure Baby. The media strategy included free-to-air and digital TV, Facebook and Instagram and runs for 6 weeks.

The campaign forms part of a local re-engagement strategy with media, brands and consumers following a Covid-induced hiatus.

Australian 'What it takes' Campaign Results:

- Social Impressions: 12,040,000
- Social Views: 1.3 Million
- Finecast: 1.8 Million (Not including TV Numbers)
- Clicks: 14,000

WEAR WOOL NOT FOSSIL FUEL CAMPAIGN

The Woolmark Company released an eco-centric campaign 'Wear Wool not Fossil Fuel' 1st September in UK, USA and France for 6 weeks. The campaign has been hugely successful in driving engagement, conversation and support for the Australian Wool Industry's efforts in driving a focus on sustainability and conscious consumption.

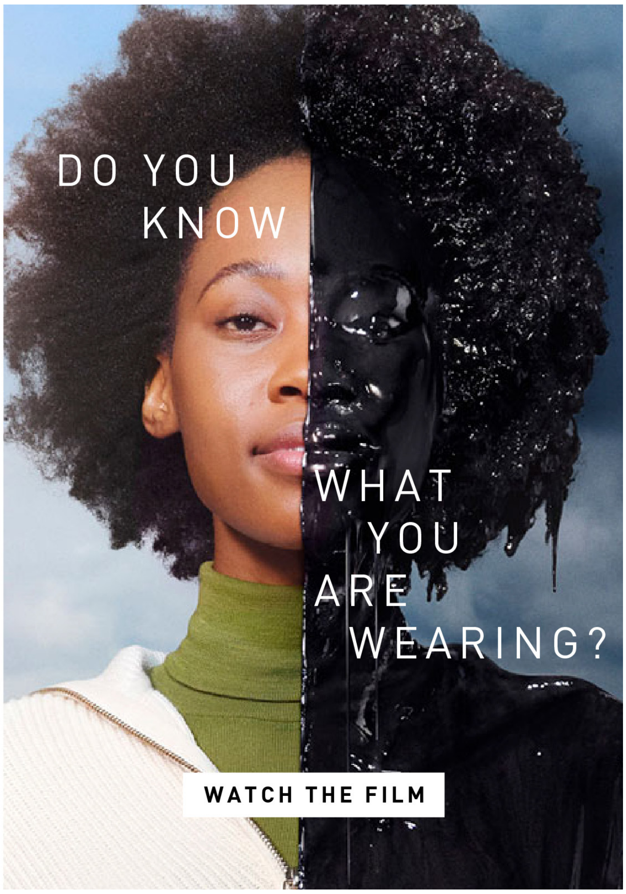
Eco Campaign: Week 2 Social Results:

- Social Impressions: 43,456,492
- View Views: 18,094,510
- Clicks: 93,295

The Campaign is also live across outdoor placements in New York City, Paris and London and digital partner WeTransfer.com

Eco Campaign NYC OOH example:

https://www.youtube.com/watch?v=P_IzD5d4Q64



CHINA CAMPAIGN: LIVE WITH NATURE

The 'Much Loved' campaign is the second content instalment from The Woolmark Company's sustainability repositioning strategy in China under new tag line 'Live with Nature.' As the Chinese government has declared a commitment to reducing emissions, Chinese consumer interest in conscious consumption is growing. This campaign aims to put Merino wool at the centre of the sustainability conversation in China by driving awareness for Merino wool's circularity. Tactical media will drive purchase intent for brand partners as part of Wool Week via digital and social media along with a collaboration with e-commerce giant TMall.

BRAND PARTNERSHIPS

Partnerships secured in May & June include: Farfetch (Global, Womenswear, e-tailing), goop.com (Womenswear, USA, e-tailing), Hugo Boss (Germany, menswear) Bonpoint (Global, Childrenswear), Replain (Korea, Womenswear)

TRADE MARKETING

THE MAKE THE LABEL COUNT CAMPAIGN (MTLC)

MEP meetings / engagements May – August

Sent MTLC White Paper to European Commission. Received a response from DG Environment with comments and feedback:

- The Commission continues not to commit to the PEF as the primary methodology to be used in the Substantiating Green Claims proposal. It recognised the gaps in the PEF method on some aspects, such as biodiversity and microplastics, but provided only a top-line approach on how these will be gaps will be addressed. For the other aspects raised by MTLC, including circularity, it continued the previous line of defence that these are already covered in the PEF.

Meetings with 7 Brussels stakeholders from May – August (taking total meetings to 39) including:

- 4 Permanent Representatives [total of 11]
- 1 assistant to Member of the European Parliament [total of 22]
- 1 EU Consumer Association [total of 7]
- 1 Association (ITAP) [total of 1]
- Email outreach to 59 Brussels stakeholders from May – August (taking total outreach to 255) including:
- 8 European Commission representatives [total of 18]
- 11 Permanent Representatives [total of 40]
- 7 consumer associations [total of 7]
- 31 Members of the European Parliament [total of 190]

2 additional parliamentary questions to the European Commission submitted by MEPs questioning the PEF's alignment to circular economy goals.

MTLC Coalition update

- Three new Coalition members; European Industrial Hemp Association, The Schneider Group and Zegna Baruffa, bringing the Coalition membership to 23.
- Secured €75,000 financial contribution from CapeWools South Africa to be put towards campaign activities.

Media clippings

- 1 new piece of coverage on the MTLC White Paper, taking total media coverage for the campaign to: 24 pieces of coverage with a reach of 723 million.

ECO COMMUNICATIONS - ONGOING

Meetings held:

- BEUC; the umbrella group for 46 independent consumer organisations from 32 countries. Expressed equal concern for PEF governance issues
- Planet Score (French food labelling initiative) who shares concerns with PEF and believe a 'PEF+' route is the only way forward.

TALENT DEVELOPMENT

WOOLMARK PERFORMANCE CHALLENGE

Woolmark Performance Challenge is an annual product innovation competition inviting early-career creative thinkers to develop innovative, forward-thinking product solutions for the performance industry by harnessing the unique natural properties of Australian Merino wool. The fifth edition of the WPC launched in October 2021, partnering with French brand and industry leader Salomon on a mountain running brief. So far, this edition has achieved: 182 universities across 25 countries, 1081 registered students, and 191 entries.

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 Australian Wool Innovation Limited gratefully acknowledges the funds provided by the Australian Government to support the research, development and innovation detailed in this publication. GD4687