



AWI BUSINESS UNIT UPDATE

MAY 2022



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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

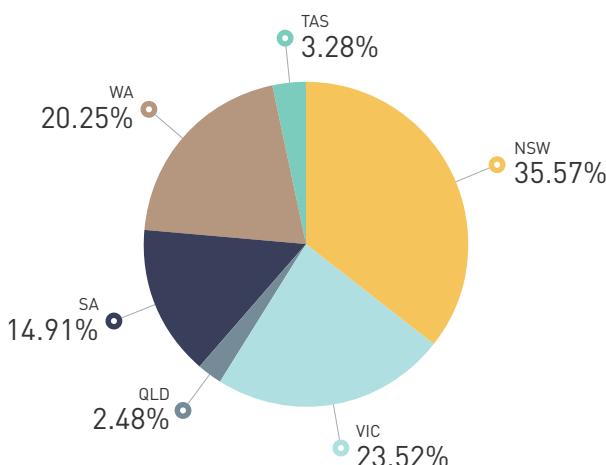
MARKET ANALYTICS

Production

By the end of March 2022 there has been 8.5% or 19.9mkg more greasy wool tested by AWTA than at the same time last year. The current season to date volume by weight tested is 254.3 mkg.

Whilst all states have recorded a year on year production growth, Queensland and Western Australia have shown the best percentage increases. The WA figure is significant by being well above the national average at 12.7% or 5,815mkg more wool tested in the first nine months of this season than last season. Queensland recorded the largest percentage growth of 28.5% which is 1,396 mkg, but that is coming from a small share of the tested wool data. NSW has had over 8,000 mkg more wool tested which is 9.8% improvement year to year thus far.

At the other end of the data set lies the relatively under average improvement in the states of Victoria (+5.3%) and South Australia (+2.8%). Tasmania sits around the national growth average at +8.4% more wool by volume.



The Australian Wool Production Forecast Committee (AWPFC) met on 27th April and have revised their forecast of shorn wool production for 2021/22 to 314 Mkg greasy, up 6.5% on 2020/21. The Committee's first forecast for the 2022/23 season is 321 Mkg greasy, a 2.5% increase on the current season. The main driver is an increase in sheep shorn numbers to 70.9 million, up 2.8%.

Auction volumes

At the start of April, AWEX reported there had been 1,402,028 Australian grown bales offered at auction this season compared to the 1,251,390 bales offered at the same point of last year. That is 12% more wool offered or an average of 4,565 bales extra per sale week.

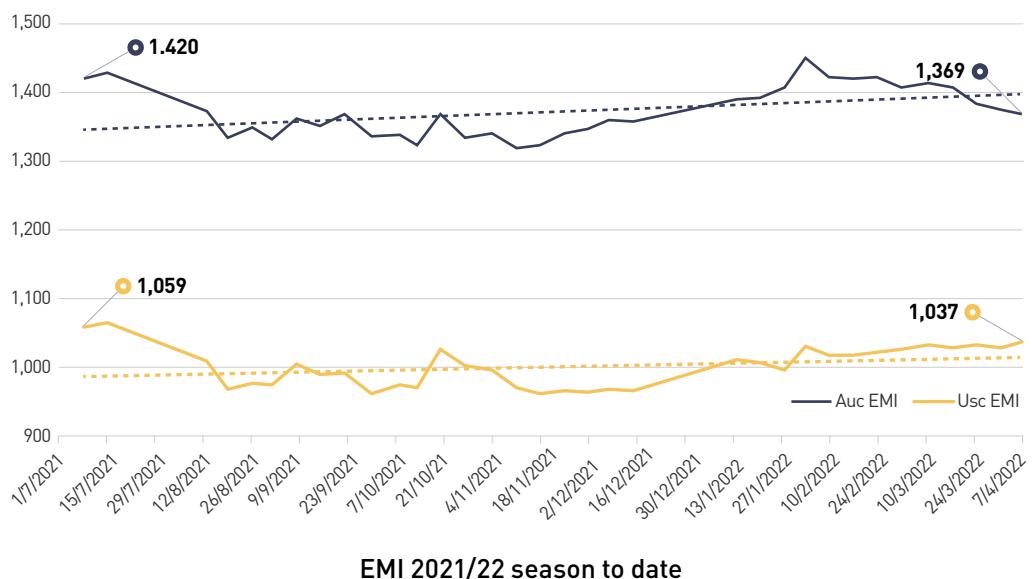
This season there has 1,216,926 bales sold at auction across Australia by the end of sale week 40. Last season there had been 1,102,126 bales sold during the same period which was 114,800 or 10.4% more than last year, representing an average of 3,479 bales more bales sold each week.

This seasons clearance rate so far stands at 86.8% compared to the 88.1% cleared at the same point of the season last year.

Price

Wool values in AUD have continued to soften since the commencement of February 2022. Since that date prices have fallen from 1449ac to 1369ac – a 5.5% decrease. When measured in USD though, the wool value has remained remarkably stable, and

improved fractionally during the same period. The current USD EMI of 1037usc is 5usc higher than the 1032usc of that same week at the start of February. In both USD and AUD the trendline is still pointing to gradually increasing price levels.



Auction Activity and Commentary

Demand is reported as still being good from all destinations, as Indian and European interests continue to apply competition in the auction rooms to the dominant Chinese. Buying and onshore derived indent orders from the first stage manufacturing sector is alleviating any funding issues at present as the large volumes on offer are mainly still being sold. This relieves some of the pressures on our local traders to finance all or indeed more of that inventory.

Hindering some trade at present though is the abnormally long lag time for delivery to non-China destinations which some report at being up to 4 months from the time of booking contracts to delivery processed. This is almost double the duration of what the “normal” supply chain for wool textiles used to operate to just a few years back.

The strengthening Australian dollar (AUD) has continually subdued the local prices being extracted at Australian wool auctions. The AUD has been driven substantially dearer the past month against all the major currencies and the subsequent foreign exchange (forex) rates available have had negative impacts upon the local auction price levels but held and grown the true export value.

In particular, the AUD has strengthened strongly against the Australian dollar. Most commodity linked currencies (such as the AUD) initially weakened 1.5% against the Euro as crude oil prices fell on news of the USA planning to put some of their strategic oil reserves onto the market and a larger than expected decrease in Chinese manufacturing activity. This was short lasting as the Euro weakened by nearly 4% to find 5-year lows against the AUD at 0.6958

Uncertainty surrounding the potential consequences of a foot and mouth outbreak in South Africa (RSA) initially placed pressure on the Australian market resulting in an immediate 30ac gain. The temporary break of supply from that nation led to some purchasing pressure transfer to Australia. The RSA industry decided to eliminate risk for the time being by postponing their auction sales for this week. Robust biosecurity protocols and risk mitigating measures in that country should enable a quick return to normal trade.

Financing the Clip

Access to finance has become an increasingly important driver of wool prices and direction. It is well known the negative effect that a lengthening of the supply chain due to logistics delays have had. What is less well known is the positive or stabilising effect by clever management of the major industry financing. This finance is sourced or offered both locally and offshore by the major exporters and importers on both sides of the wool contract.

With most (93++) Australian wool exports destined for China, Italy, Czech Republic and India, the ultimate source of funding the clip comes from the Renminbi, Australian dollar, the UK pound (Czech Rep. through Modiano), Euro and Indian rupee. The US dollar is then used as a conversion base for international trade for around an estimated 40 to 50% of global wool ownership transfer.

There are some exceptions but borrowed or bank financed money is used to source greasy wool. Terms of payment are provided in all cases with zero wool transacted based on the prompt date of auction sales (mostly due Friday the week after sale). Exporters generally will provide terms between 60 and 90 days from the exchange of documents. Therefore, ruling interest rates are vital to current prices whilst future interest rates will be a minor part of the determination of the general direction of the market in association with the normal supply and demand factors.

It is important to note that the prime lending rates are not available to traders or individuals, but are indicative of the differentials.

Presently both the Euro (0.00%) and UK (0.75%) prime lending rates are below or around that of Australia (0.10%), so it is to the advantage of those users to buy wool using capital sourced in the UK and Italy respectively. Both those importers are historically sound majority family-owned businesses. This economic situation suits their needs and provides the cheapest access to finance to fund what is effectively 10% of the Australian wool clip by volume. Modiano, New England Wool and Schneider are the local purchasing representatives.

Interest rates in both China (3.7%) and India (4.0%) are currently well above the 0.1% base rate of Australia. With that large disparity, both of those countries manufacturers and traders look to use that cheaper Australian finance by buying forward contracts or place indent orders by Australian based buyers into the market. China's two largest users have set up Australian registered and staffed companies and the largest Indian user has indent arrangements fixed with two of Australia's largest traders.

The large Australian traders to China and India will generally provide a rate of 1.9% to 2.9% plus bank charges. Most is in the form of guaranteed letter of credits with reputable banks with a 90-day term given. Most exporters will choose to discount their documents which is where the banks will pay out l/c early with interest attached and take over ownership of the documents (future payment). A general rule is that 1 dollar needs to be used 4.6 to 6 times annually to cover overhead.

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 March 2022 report are detailed (as listed in AWI Strategic Plan pgs 45 to 52).

- Integrated flystrike management – pilot workshops for SimpliFly and resource development for StrateFly, ClassiFly and AmpliFly in progress.
- Investment alternatives to fly chemical resistance – chemical resistance management reseller resources are available and webinar scheduled for winter 2022.
- Flystrike vaccination – 2 out of 50 prototype antigen mixes being pursued.
- Novel pain relief options investigated – new investment opportunities being scoped.
- Wool biosecurity toolkit enhanced – no update as no investment opportunities
- Industry co-funded independent wild dog coordinators – AWI continues to fund NE NSW, Vic (x2) and SA and a National Wild Dog Management Coordinator.
- Develop community capacity through training and support to reach zero (or minimal sheep predation) – long term average reduction in losses to predation of 83%.
- Digital developments to capture predator activity – AWI investment in FeralScan continues Total Records, 143,099; Landholder Groups, 215.
- New community groups or those with wild dog crisis given help towards achieving sustainable management – the Community Wild Dog Control Initiative phase III remains suspended due to budget constraints – only 3 wild dog groups are funded.
- Development of new rabbit biocontrols – no milestone due.
- Development of new feedbase management extension model – resource development continues.
- Reducing the impact of climate variability on reproductive performance – no budget.
- Support for wether trials, central test sire evaluation, MERINOSELECT and sheep selection skills – 85% of MLP data collected. MLP field days held at Balmoral and Macquarie. The genetics and economics of lifetime disease resilience, components of reproduction efficiency and feed intake and efficiency – data collection continues.
- Higher conception rates from improved ewe fertility protocols – final analysis being completed.
- Digital signatures from AWI's Smart Tags for reproduction, health and welfare and grazing – for mounting behaviour of rams tags achieved 89% sensitivity.
- Testing the reliability and functional life of the AWI Smart Tag system – tests on ear welfare continue.
- Artificial intelligence technologies for data analysis – initial models for grazing attributes are in development.
- Robotic shearing – investment limited to automated wool classing and smart handpiece. Initial demonstration of the automated Wool classing system has occurred. The wearable shearer sensor system project is completed awaiting next steps.
- User interface applications – no budget.
- Increased digital awareness and accelerate the adoption of technologies – the AgriFood Data Exchange Platform pilot has been delivered and presented to 400 stakeholders via webinar.

3. PROCESS INNOVATION & EDUCATION EXTENSION

TRADE EXTENSION



Treading Lightly, Wool in Footwear webinar + workshop

An online webinar and VIP physical workshop took place in alignment with the Woolmark 'Wool in Footwear' mini exhibition at D-house urban laboratory, Milan and growth opportunities for Australian wool in the global footwear market.

Online webinar focus:

- Benefits and properties of wool in footwear – The Woolmark Company
- The latest yarn developments for wool shoe uppers – Südwolle Group
- Flat knit variability for footwear – STOLL by Karl Mayer
- Sustainability in footwear – Kiefer von ZOE

Total registered: 182

Key brands attended: Bally, Gucci, FENDI, Prada Spa, Salvatore Ferragamo Spa, Allbirds, A.P.C., ICICLE, Decathlon, Salewa, Produzione Italia, HERMÈS, XTM Australia, Smartwool, Rodd & Gunn.

Key supply chain attended: UPW, Suedwolle GmbH, Tollegno 1900, Schneider, Ratti Bond Factory, DyStar Colours Distribution GmbH, The Natural Fibre Company, China Wool Textile Association, Merino Softwear Company, Knitwear Lab, PREMIERE VISION, WGSN, Knitwear Lab, Footwearology LAB.



Physical workshop focus:

A VIP physical workshop with top tier supply chain & commercial brands to cement partnership opportunities and explore the latest developments in wool footwear applications, shoe uppers and internal components including:

- Stratasys 3D printing
- Framis heat-bonding solutions,
- Coloreel digital embroidery 4.0 and
- Universal Robots collaborative robots.

Total attended: 21

Key brands attended: Levis, STOLL, Loro Piana, Salewa, Birkenstock, Golden Goose, Vibram, IED, Stone Island.

Shima Seiki / TWC Protection Wear Collaboration featured in respected global industry journal *Twist Magazine*

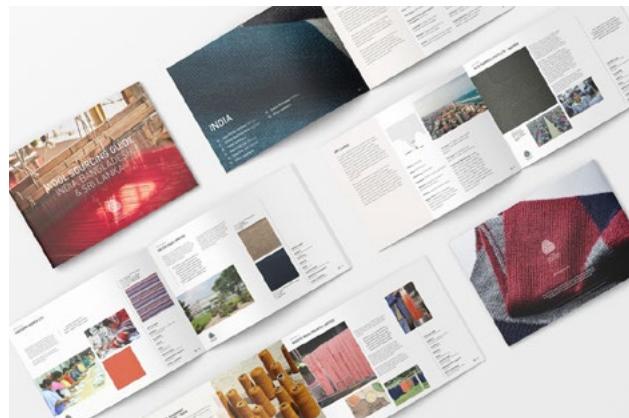


India Fashion Tex (RBSM) trade show

Organised by the Wool and Woollens Export Promotional Council (WWEPC) as part of the Annual Action Plan approved under the Market Access Initiative Scheme, Ministry of Commerce & Industry, Govt. of India. The Woolmark Company exhibited at India Fashion Tex (RBSM – Reverse Buyer Seller Meeting) on 29-31 March 2022 to align with:

- Exclusive preview of the new India, Sri Lanka & Bangladesh Sourcing Guide
- Connect with Indian supply chain (face-to-face)
- Connect with global buyers to introduce them to the Australian wool supply chain that operates in India (from Process to Product)
- Educate supply chain in India about the versatility and applications of Merino and Australian wool for the India market as a trans-season and natural fibre.
- Promote Woolmark's key services

These activations aligned well with the Australia-India Economic Cooperation and Trade Agreement announced on 2nd April 2022.



DIGITAL

Woolmark Learning Centre sustainability and wool (new course)

The new Sustainability and wool course (English only) launched on The Woolmark Learning Centre on Monday, 4th April.

Overview:

This course will provide an introduction into the concepts, global sustainability frameworks and strategies to support sustainable and even restorative business in the textile industry. We will be exploring key issues and questions relating to sustainable development, legislation, collaborative global goals, and ways to measure and manage the textile industry's impact on people, planet and prosperity. With a focus on the wool fibre and wool industry, this course will introduce the theory and practice of circular design, regenerative agriculture and manufacturing processes with reduced environmental impacts.

Modules:

1. Introduction to sustainability and sustainable development
2. Global frameworks and systems for sustainable development
3. Connecting sustainable development theory to fashion and textiles
4. The Circular Economy in detail
5. Measuring and managing impacts
6. Wool as a sustainable solution for fashion

Course completion time: Approximately 4 hours

A communications plan supports the launch of the course including targeted EDMs, organic and paid social media as well as a global press release.



By completing this course, you will gain a holistic understanding of sustainability within the textile and fashion industry and be introduced to the knowledge and tools that will help you build a future-fit business.

- Livia Firth, Creative Director and Founder of Eco-Age

4. TRACEABILITY & WOOLQ

The WoolQ team remains focused on the grower focused tools on the platform. Those focus areas are:

- Ready Reckoner Tool
- MyWoolQ: including category indicators (see related images)
- Industry Network
- Promote group creation feature to encourage regional groups to form and be found on the network.

WHAT ARE THE CATEGORY INDICATORS?

Category Indicators aim to improve market feedback for woolgrowers by showing which markets their wool might end up in, according to their test specifications and a trend for that market. The indicators are housed in MyWoolQ and feedback is received through using the eSpeci creating the ability for brokers to send test and sale information back to the woolgrower's WoolQ portal.

Work continues in the traceability space, there has been ongoing dialogue with AWTA and AWEX regarding a joint funding arrangement for a data transfer standards review for the wool industry. AWI also participated in a recent Future Traceability Forum held by DAWE.

[Print Document](#)

Uses for your wool

It is a long established fact that a reader will be distracted by the readable content of a page when looking at its layout. The point of using Lorem Ipsum is that it has a more-or-less normal distribution.

Occasionalwear Luxury-type garments worn for special occasions Further Information	Corporatewear Everyday sailing and workwear that consumers in office jobs wear Further Information	Babywear Innovative wool products promoting health and wellbeing for young children Further Information	Athleisure Wool garments used for recreational and sports purposes Further Information	Uniforms Formal uniforms worn in banks, military, and other jobs Further Information	Knitwear & Hoodies Mid-layer garments that offer protection from cold, whilst breathable. Further Information	Jackets & Vests Outer layer garments that offer protection from the wind, rain, snow or even sun Further Information
Accessories Wool items such as socks, scarfs, beanies, masks and other secondary outfit items Further Information	Shoes High performance wool sneakers and other varieties of innovative wool shoes Further Information	Home Furnishings Rugs, Upholstery, Bedding and any other varieties of wool in the home Further Information	Craft The use of wool for leisurely crafts such as knitting and crocheting Further Information			

5. EMERGING MARKETS

The updated Emerging Markets Strategy is in progress and is set for release in June. The reason for updating the strategy is to ensure we are aligned with the changes in the global supply chain since Covid began and where our opportunities for wool are.

The Sub-Continent Sourcing Guide was released in early March. The guide features over 42 suppliers from Bangladesh, India and Sri Lanka and was launched at India Fashion Tex tradeshow.

We are in discussion with Garment Manufacturers Association in Cambodia to run a workshop in Cambodia to introduce wool and The Woolmark Company to industry there and attendees such as buyers, sourcing houses and factory management. We hope this workshop will encourage attendees to consider wool as a viable resource for production.

6. FIBRE SCIENCE

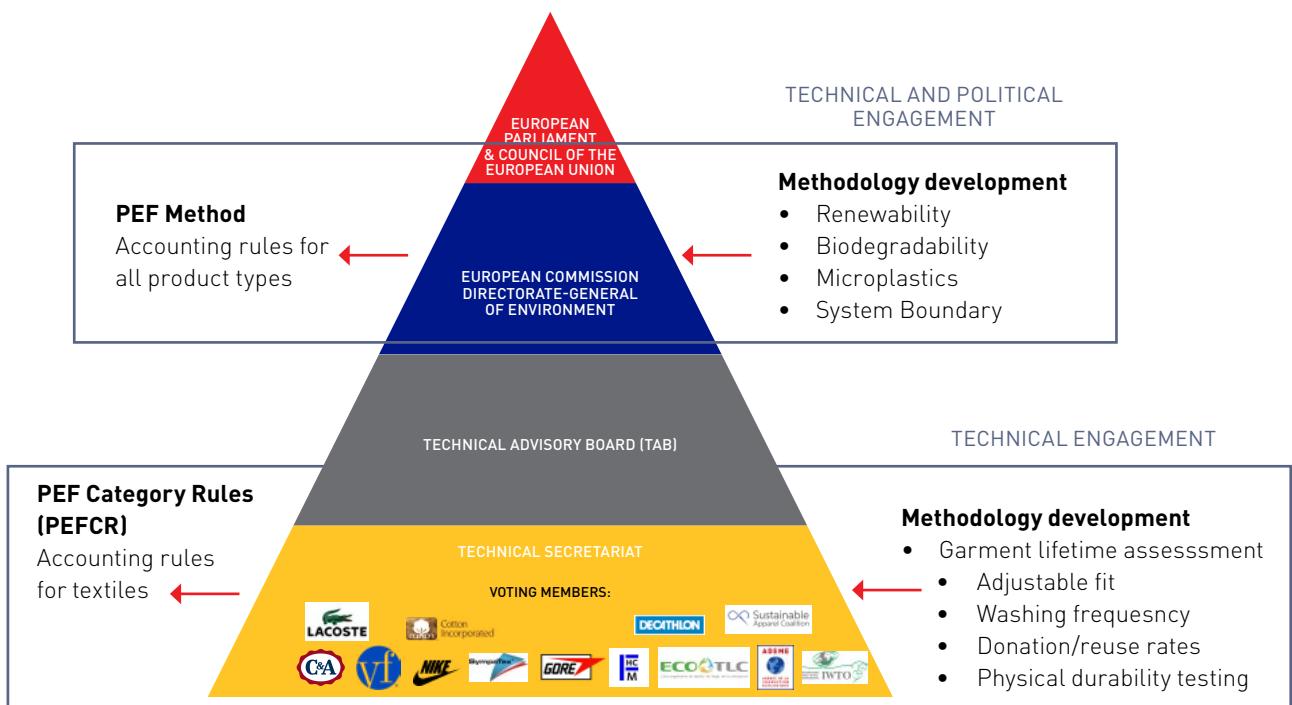
ECO-CREDENTIALS

European Union (EU) Product Environmental Footprinting (PEF)

AWI continues to actively engage with the EU at both the technical and political levels to improve the environmental scoring system for apparel, known as PEF, to ensure it represents a level playing field for wool and other natural fibres. These actions are targeted at influencing EU decision maker thinking, prior to the tabling of environmental legislation relevant to textiles, which is occurring across the course of 2022.

A white paper identifying the shortcomings of PEF methodology and proposing solutions has been completed. This document, which provides the evidence-base supporting the Make The Label Count campaign (MTLC), managed by Marketing, has been condensed into a slide presentation for delivery to a targeted group of Members of the European Parliament who may be aligned with the need for improvements to PEF methodology to both treat textiles made from natural and man-made raw equitably and also more effectively deliver EU environmental strategy.

One of the more impactful ways of influencing EU thinking on PEF and their Circular Economy strategy has been through their public consultations. They are typically transparent to all, including media, and the EU is obliged to give them due consideration. The EU's consultation on microplastics is open until 17 May. This is a good opportunity for interested woolgrowers as well as representative bodies to express their concerns about the omission of accounting for microplastic emissions in PEF. Guidelines for how to respond are being shared across the wool industry.



Wool industry engagement with EU PEF

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

Capitalising on the trend towards circular products, as well as upcoming EPR legislation in Europe which seeks to make brands financially responsible for the end-of-life costs of the clothing they sell, is a key goal. With profitable end-of-life pathways available for wool but not most other fibre types, a project is underway collecting the evidence needed by Marketing to champion wool as 'the supply chain of the future' in a circular, 'EPR-mandated Europe. The project will help position wool as the optimal fibre to leverage EPR and demonstrate how wool's recyclability will grow demand for virgin wool.

It's noteworthy that synthetic fibre industry, such as polyester, are now reacting to EU initiatives like the Circular Economy Action Plan and EPR. Garments made from synthetic fibres have traditionally not been recycled, because the process is not cost effective, yet they are now investing in making it so and even arguing that polyester may be infinitely recyclable, in an attempt to reposition polyester as the 'green fibre'.

7. EXTENSION NETWORKS

All six AWI state grower extension networks are directed by a Producer Advisory Panel (PAP) of woolgrowers and industry partners that meet at least twice per year to discuss on-ground feedback and priorities, what is required to be delivered to woolgrowers in their state and engage in an industry update to feed that information back to their networks. The feedback from the PAP directs the operational plan of the Extension Networks for the coming year.

Late 2021 and the start of 2022 has brought challenges to many regions, with little to no rain across the summer, late breaks in many regions, severe flooding in some regions and bushfires in others, ongoing supply chain issues, rising input costs and continuing animal health challenges, such as flystrike and worms. AWI's Extension Networks have been able to respond quickly to these challenges, in many cases partnering with other relevant industry organisations to deliver quality information and support to woolgrowers, whilst continuing to deliver the priorities outline by their PAPs at the beginning of the year.

All of the Networks modified their delivery strategies throughout the pandemic to comply with state and federal legislation plus respond to woolgrower demand for more online engagement via webinars, in particular.

Face-to-face delivery has returned across all networks from early 2022, with demand on-ground very strong. Most of the Networks are continuing 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.

AWI staff have recently attended and spoken at face-to-face events organised by Leading Sheep Queensland, BestWool/BestLamb Victoria and Sheep Connect SA, and are scheduled to attend events in the coming weeks with Sheep Connect NSW.

The AWI Board recently approved a further three years' funding for Sheep Connect NSW, Sheep Connect Tasmania and Leading Sheep Queensland from July 2022 through June 2025 and contracting for these projects is underway. Sheep Connect SA, The Sheep's Back WA and BestWool/BestLamb Victoria are funded under current contracts until June 2023.

8. SHEARING

The wool harvesting training is in full swing, we are at peak demands from industry for training both learner shearers and new entrant wool handlers.

The enquiry for participating in all AWI novice schools is very high, we advertise this training and ask anyone interested to apply and register their details via a google form which tracks their data and means we can accommodate all enquiries. Most courses attract double the number we can take, this allows for a screening process, increasing the quality of applicants and outcomes of staff for immediate work in industry.

The improver schools are not as easy to fill with learner and improver level shearers held with contractors at this busy time of the year. We plan to

increase these improver courses during May-August when the season is a little less hectic.

AWI continues to work closely with SCAA and WASIA in order to meet the training needs of industry and we will continue to adapt to these needs as required.

The positive response to our advertised novice schools and Google form process means we can track this response in relation to the demand. Ensuring we deliver training to all who are interested. We also have a better way to quality check participants to ensure their commitment to continuing in the industry from the novice training.

At this stage, future courses scheduled for 2022 are below.

NSW			
NOVICE	4th – 8th April	5 days	YOUNG
NOVICE	11th – 14th April	4 days	INVERELL
NOVICE	18th – 22nd April	5 days	CROOKWELL
NOVICE	2nd – 6th May	5 days	ARMIDALE
NOVICE	23rd – 27th May	5 days	GLEN INNES
NOVICE	23rd – 27th May	5 days	IVANHOE
NOVICE	9th – 20th May	5 days	COOMA
NOVICE	6th – 10th June	5 days	DUBBO
IMPROVER	9th – 20th May	10 days	NYNGAN
IMPROVER	16th – 20th May	5 days	DUBBO
IMPROVER	20th – 24th June	5 days	LIGHTNING RIDGE
IMPROVER	13th – 17th June	5 days	DUBBO
QLD			
NOVICE	27th June – 1st July	5 days	BARCALDINE
NOVICE	4th – 8th July	5 days	QUILPIE
IMPROVER	4th – 8th July	5 days	BARCALDINE
SA			
NOVICE	4th – 8th April	5 days	LONGHORNE CRK
NOVICE	6th – 10th June	5 days	JAMESTOWN
IMPROVER	9th – 20th May	10 days	TEETULPA

VIC			
NOVICE	2nd – 6th May	5 days	HAMILTON
NOVICE	9th – 13th May	5 days	BALLARAT
IMPROVER	19th – 22nd April	4 days	HAMILTON
IMPROVER	6th – 10th June	5 days	INGLEWOOD
WA			
IMPROVER	6th – 10th June	5 days	PEEL FEEDLOT
NOVICE	4th – 15th July	10 days	ESPERANCE
NOVICE	18th – 29th July	10 days	BADGINGARRA
NOVICE	1st – 5th August	5 days	NORTHAM
IMPROVER	8th – 12th August	5 days	NORTHAM
NOVICE	Sep TBA		NORTHAM
NOVICE	Oct TBA		RYLINGTON PARK

BREAKING THE BARRIERS PROJECT

The learner shearer tool kits and wool handling tools are showing very good signs of a successful project. We currently have over 200 learner shearers across Australia that have been issued a learner toolkit. This is above expectations and hopefully we can secure 250 by the end of the financial year. The tools allow the best start for the learners and the feedback from the trainers is that when we do in shed follow up training, they know the gear and tools the learner is using are up to standards, so they can then work on technique, grinding and other important areas of the job knowing the students have quality tools.

HIGH SCHOOL PILOT PROGRAM: "WELCOME TO WOOL HARVESTING"

The high school pilot program with one day workshops is underway with over 20 NSW schools taking part, starting with Temora on 4th April. This 'Welcome to Wool Harvesting' project is important to offer high school students in the regions as an option for a career. This practical workshop will assist with attracting new entrants and provide a pathway for training at a novice level and opportunities for employment and ongoing training within the wool harvesting industry. The project will reach students at a critical age, year 9 & 10, when many are exploring different trades and career paths. We will be presenting the wool harvesting industry as an achievable, appealing and successful path for these students to consider with some great hands-on experience to entice this new generation.

FALKINER MEMORIAL FIELD STATION REJUVENATION

Following funding approval from the Board to commence the rejuvenation of the Falkiner Memorial Field Station, the following progress has been made.

A Wool Harvesting Demonstration and Open Day will be held on 17th May and will include demonstrations of the AWI Modular Race Delivery units, Burbidge Shear Anywhere, Peak Hill ShearEzy trailers.

Research projects such the Melb Uni Muscle Fatigue sensor and the Smart Handpiece will also be displayed.



9. MARKETING

With China experiencing significant COVID-19 restrictions, management has reduced marketing investments for Spring and will redeploy approved funding in A/W22.

A smaller scale campaign launched on Earth Day 23rd April, as part of our re-positioning strategy in the region to position Merino wool as the ultimate 'earth friendly fibre.' To ensure Merino wool remains a purchase consideration for spring we leveraged the sales opportunity of shopping festival Goddess Day and partnered with Farfetch China and 8 brand partners for the season with support from influencers to drive purchase.

Results:

- 108 Million Campaign Impressions
- 24 Million Views on Campaign Video
- \$990kAUD Media Value
- \$3,100,000 GMV sales for Goddess Day (24% YoY Increase)
- \$6,300,000 GMV sales for March new season (12% YoY increase)

The fashion industry's sustainability strategy is dominating industry media with March's release of EU Circular Economy Package, Part 1 which sets out legislative initiatives seeking to regulate almost all physical goods sold or produced on the EU market to align them with the EU's transition to a climate-neutral, circular economy. Overall, the ambitious package was well received and demonstrated the EU's unwavering commitment to cleaning up the industry, however the package lacked any real detail on how targets would be achieved.

AWI continues to invest in a communication program through the 'Make the Label Count' campaign which includes lobbyist engagement and content to secure a level playing field for wool as policy is shaped.

AWI's Make the Label Count coalition member, Changing Markets, published its License to Greenwash report this month. The report has been raising crucial industry and consumer awareness, serving as a contribution to the contextual messaging around greenwashing, fast fashion, and fossil fuels.

The Great Greenwashing Report Part 2 'The Use and Misuse of Sustainability Metrics in Fashion' was released 6th April and takes a deep dive into the flaws of ratings agencies and methodologies. The reports have successfully distilled the key issues wool and other natural fibres face with PEF methodology and generated over 25 press articles.

The Woolmark Company's upcoming Western A/W Consumer campaign aims to capitalise on the anti-plastic movement by highlighting the link between synthetic clothing, plastic and fossil fuel consumption and will be presented at the April meeting. A request for additional funding is required to cover Covid-19 related production cancellation fees.

TALENT DEVELOPMENT

The International Woolmark Prize final was held in London in 26th April with a stellar judging panel including: Tim Blanks – Editor-at-Large, Business of Fashion, Naomi Campbell – Model, Activist & Businesswoman, Edward Enninful OBE – Editor-in-Chief, British Vogue and European Editorial Director, Vogue, Pieter Mulier – Creative Director, Alaïa, Carine Roitfeld – Founder & Editor-in-Chief, CR Fashion Book, Riccardo Tisci – Chief Creative Officer, Burberry, Nadège Vanhee-Cybulski – Artistic Director, Hermès.

"Everything about the wool industry is self-supportive. It's all about partnering the natural resources of the farms with the well-being of their sheep. On a practical note, given the increased heating bills we are all going to be wearing more wool than ever, so I am very happy to be involved with Woolmark."

Naomi Campbell, IWP Judge 2022

IWP Results

- 7 global finalists
- 12 internationally renowned VIP judges
- 8 Innovation Academy partners and 47 trade partners involved in the program
- 19M impressions
- 9.6M video views (+32% YoY)
- 214k clicks from film to wp.com (+291% YoY)
- 1.5k PR clippings (+50% YoY), with a 4.4B readership (+235% YoY) and \$5.5M earned media value (+24% YoY)

SPORTS MARKETING

The Woolmark Company's sports marketing strategy is a combination of high-profile sponsorships of elite teams and events to build credibility, and partnerships with niche influencer brands across premium lifestyle and outdoor categories to drive product availability. The 2022 program is progressing strongly with technical partner position secured for both the Nissan Formula E team and Prada Luna Rossa sailing-teams.

10. COMMUNICATIONS

The major task in recent months has been the preparation of the next AWI Strategic Plan.

Key announcements include:

- the appointment of John Roberts as CEO
- shearer training workshops and success stories

SOCIAL MEDIA AUDIENCE AS OF 22/4/22



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