AWI BUSINESS UNIT UPDATE

AUGUST 2026

awi | WOOLMARK

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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 Woolmark with offices globally in key wool markets. Woolmark 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 woolgrowers 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.

AWI directly communicates regularly with growers. This ranges from wool market reports posted online and sent out via text message, to our biannual magazine Beyond the Bale (hardcopy & online). In addition, we provide a monthly Woolgrower Newsletter and have a strong presence across social media including Facebook, LinkedIn, Instagram and YouTube.

This quarterly business unit update is created for AWI's Wool Industry Consultation Panel (WICP) and publicly available to all woolgrowers. It is designed to provide key stakeholders with a snapshot of AWI business units and insights into key projects.

For more information on AWI activities, head to

WOOL.COM

COMMUNIQUE

WOOL INDUSTRY CONSULTATIVE PANEL (WICP)

AWI Business Unit Update

The purpose of this forum is to ensure clear, two-way consultation between AWI and organisational representatives, through to growers. The meeting provides an opportunity for the AWI Board to receive and provide feedback on current/important issues and relevant topics from board meetings.

AWI Chair, CEO and CFO gave the WICP the following updates. A summary of the company's 2026 Financials is as follows;

	Actuals 2026 '000's	Budget 2026 '000's
Total Income	66,481	55,821
Total Expenses	50,943	55,821
Net Profit	15,538	0

- The majority of unbudgeted income received in the 25/26 FY will be added to the AWI reserves which will provide the company with additional funds to invest in the future should the appropriate opportunities arise. The Board will continue to balance prudent financial management with the need to deliver outcomes for growers.
- The 26/27 financial year through until the end of July 2026 has begun well with income above budget and expenses below the YTD budget.
- Australian wool tested volumes declined 8% YoY to 271Mkg with the latest 26/27 forecast at approximately 249Mkg noting that this is a slight upward revision from the early April 26 forecast.
- Wool prices have increased by 45-71% YoY depending upon micron.
- The Chinese market now recognises that wool is a 365 day a year fibre which is assisting from a demand perspective. In addition to this, the market is viewing wool favourably in blended products.

Biosecurity Levy Proposal

Consultation will soon begin with the Wool grower levy base demonstrating the need for a Biosecurity Response Levy and building an understanding of the industry's obligation under Emergency Animal Disease Response Agreement (EADRA). It is proposed that this industry consultation period for a zero-levy rate will begin in October 2026.

Department Of Agriculture, Fisheries and Forestry

DAFF has evaluated all feedback relating to the WoolPoll instrument and the minister is currently reviewing the recommendations with a draft instrument to be presented in coming weeks.

WICP Feedback to AWI

- Some areas across the country are noticing that a skill shortage is looming with a lack of Jackaroos and Jillaroos now common. These skills are more to do with sheep husbandry rather than shearing and shed hands, where considerable investment has occurred in recent years.
- Topic of forward contracts was again noted and AWI indicated that this market will only ever gain traction if China initiates the liquidity given that they purchase approximately 90% of all our wool.

Generally, comments around the industry and season are positive with the industry at its most optimistic for a long time.

Nick Turner
WICP Independent Chair

BUSINESS INTELLIGENCE

DOMESTIC UPDATE

AWTA KTD 2025/26 Season End

- Australian wool tested volumes declined 8.0% YoY to 271.7 Mkg, a reduction of 23.7 Mkg, with all states recording lower volumes.
- NSW remained the largest producing state at 38% of national supply, with volumes down 9.9%; Victoria fell 7.7% and South Australia 9.3%.
- NSW, Victoria and South Australia accounted for almost 88% of the national decline, highlighting the concentration of production weakness across eastern and southern regions.
- Western Australia declined 5.3%, while Queensland (-0.9%) and Tasmania (-2.5%) were comparatively stable.
- July opened the 2026/27 season 4.2% below the prior year, with 15.1 Mkg tested, although further data is required before a clear seasonal trend can be established.

Wool Pricing Update

- Wool prices extended their rise through June before retreating from late-June highs, signalling a shift from sustained appreciation toward greater volatility and consolidation.
- The EMI increased from approximately A$18.95/kg clean at end-May to almost A$20/kg during June, before easing to around A$18.70/kg.
- The WMI followed a similar pattern, rising above A$21.50/kg before easing to approximately A$20.60/kg, with strong competition for finer Merino wool moderating as buyer resistance emerged.
- The EMI in US-dollar terms also corrected, indicating the pullback was primarily market-driven rather than caused by currency movements.
- Tight Australian supply continues to support prices, but further gains will increasingly depend on downstream orders and processors' ability to pass higher fibre costs through the supply chain.

Micron Price Guide

- Wool prices remain substantially above year-earlier levels across all major micron categories.
- Crossbred wool was the strongest-performing segment through June–July:
  - 26μ: A$11.46/kg, +64% YoY
  - 30μ: A$7.27/kg, +71% YoY
- Merino categories increased approximately 45%–56% YoY, with 18–19μ recording strong absolute gains.
- Higher Merino prices have encouraged processors to consider broader wool as a more economical input for blends and products not requiring fine-Merino specifications.
- The recovery has therefore broadened beyond Merino, although continued crossbred strength will depend on demand for blends and whether its relative price advantage is maintained.

Wool Auction Offering

- 2025/26 season end:
  - Offered: 1.497M bales (-2.9%)
  - Sold: 1.403M bales (-1.2%)
  - Clearance rate: 93.7%, up from 92%
  - Total value sold: A$2.614B, up approximately A$675M.

Australian Wool Exports (ABS)

- Export volumes declined across all major destinations, while higher prices lifted export values in China, India and Italy.
- China remained dominant at 89.2% of export volume, despite shipments falling 5.2%; export value increased 21.1%.

- India volumes fell 6.0% while value increased 20.4%; Italy volumes declined 5.4% but value increased 13.9%.
- Czechia recorded declines in both volume (-18.9%) and value (-20.0%).
- Export earnings remain predominantly price-led, with weaker shipment volumes signalling some resistance to higher wool prices.

INTERNATIONAL UPDATE

CHINA

Macro-Economy Update

- China's H1 2026 GDP grew 4.7% YoY, with Q2 growth slowing to 4.3% from 5% in Q1.
- Retail sales remain subdued but are showing tentative improvement, with overall H1 retail sales increasing 1.3% YoY.
- Apparel continues to outperform broader retail, with sales by larger enterprises increasing 6.7% YoY in H1.
- Online apparel sales increased 6.2%, reinforcing digital commerce as an important driver of consumption.

Wool Market in China

- China's wool textile trade remained strong in H1 2026, with total trade value reaching US$7.86B, +11.0% YoY.
- Imports rose sharply by 32.9%, largely driven by wool raw materials and semi-processed wool, which increased 43.4% in value.
- The average import price increased 38.3% to US$8.58/kg, significantly increasing costs throughout the wool textile supply chain.
- Exports increased 4.3%, but export prices for most finished wool products remained flat or declined, highlighting margin pressure as raw material prices increased.

Retail Market Update

- China's sports and outdoor market reached approximately RMB1.82T in 2025, with per-capita outdoor spending more than doubling and mid-to-high-end products accounting for 45% of the market.
- Global and domestic brands are accelerating investment in outdoor and lifestyle categories.
- Adidas is broadening TERREX into outdoor lifestyle, while Norrøna has expanded its premium retail presence in China.
- Mammut's Chinese business has recorded very strong growth and expanded to 61 stores by early 2026, highlighting continued momentum in premium outdoor.

Trade/Manufacturing Market Headlines

- Wuxi Simian is recording strong growth in wool/cotton yarn production.
- Synthetic-fibre knitter Yuyuang has identified wool as a strategic product-development and marketing focus.

JAPAN

Key Developments

- The Japanese Yen remains extremely weak, increasing imported raw-material and apparel costs.
- Japan's apparel supply increased 6.3% in 2025, driven by imports, which now account for a record 98.9% of domestic apparel supply.

- Domestic clothing production fell 11%, reflecting higher manufacturing costs, labour shortages and weak demand.
- Japan continues to diversify apparel sourcing away from China toward Southeast Asia, particularly Vietnam, Bangladesh, Indonesia and Cambodia.
- Fast Retailing continues strong international expansion and is positioned to become the world's second-largest apparel retailer by sales behind Inditex.
- Three wool growth areas are emerging:
  - Affordable wool and lower-cost blends
  - Premium natural blends such as wool/silk and wool/cashmere
  - Performance wool in sports, outdoor and recovery wear.

    Higher Merino prices and Yen weakness are driving manufacturers toward 20–22μ Merino, higher blend ratios and lower wool content, with wool percentages in some products falling from 70–100% to 30–50%.

KOREA

Key Developments

- Korea's major fashion groups recorded improved sales and profitability in Q1, suggesting the early stages of a consumer recovery following three weak years.
- Rising wool, cotton and polyester prices are placing pressure on AW27 ranges, with raw material costs up approximately 10–15% YoY.
- Brands expect retail prices to rise around 5%, while also reducing wool composition, cutting wool product numbers or pausing some categories.
- Musinsa recorded its strongest-ever Q1, with sales up 24% and exports increasing twelve-fold over the past year.
- Cooling apparel is becoming a major growth segment as hotter and longer summers shift consumer demand toward breathability, UV protection and cooling functionality.
- Workwear and PPE present an emerging opportunity for Merino wool, particularly around its flame resistance and anti-odour properties.

CENTRAL AND EASTERN EUROPE

Key Developments

- European luxury is showing early signs of stabilisation, with personal luxury goods forecast to recover around 2–4% in 2026, although Europe remains affected by weaker tourism and geopolitical pressures.
- Consumer preferences are changing rapidly, with around half of luxury shoppers consulting second-hand channels and using AI during their purchasing journey.
- Premium and value-for-money brands are outperforming traditional luxury, while Italian apparel and accessories sales remain under pressure.
- Sportswear is increasingly converging with workwear, while women's sportswear is growing faster than men's, particularly across yoga, wellness and ski.
- Technical demand is shifting toward smart textiles, thermoregulation, breathability, antibacterial performance and measurable functional benefits.
- Wool demand in workwear is increasing as European sustainability, traceability and supply-chain transparency regulations favour verifiable natural fibre solutions.
- Wool's inherent flame resistance and absence of microplastic shedding provide competitive advantages in professional applications.

WESTERN EUROPE

Key Developments

- Western European apparel competition is shifting from price-led growth toward product quality, stronger materials and clearer consumer propositions.
- France's apparel sector remains economically significant, generating €53B in direct turnover and supporting 284,000 jobs, despite growing pressure on European manufacturing.
- Consumers are showing renewed interest in more structured and versatile clothing, while retailers such as COS, Zara, M&S and Next are improving product quality and material propositions.
- This represents a broader "democratisation of quality", with better materials increasingly used to differentiate high-volume retail products.
- Regulation is increasingly rewarding longevity, traceability and lifecycle performance, including:
  - Digital Product Passports
  - Extended Producer Responsibility
  - Repairability and durability requirements
  - Restrictions on destruction of unsold textiles.

    These changes reinforce wool's positioning around quality, durability, traceability and long-term value.

UNITED STATES OF AMERICA

Key Developments

- Supply-chain uncertainty remains elevated as businesses await clarity on the future of the USMCA and manage new country-specific U.S. tariffs.
- New tariffs have had minimal direct impact on raw wool but increase the cost of wool fabrics and garments imported from major manufacturing markets including China, Vietnam, India and Bangladesh.
- Brands are continuing Asian sourcing while increasing diversification toward Central America.
- U.S. retail sales increased 6.7% YoY in June, led by e-commerce and earlier promotional activity.
- PFAS litigation continues to create potential downstream implications for apparel, footwear, outdoor and home textile businesses.
- Consumer sentiment improved modestly in June after four consecutive declines but remains weak.
- Financial pressure on younger consumers is contributing to stronger demand for casualwear, athleisure and value, with fewer occasion-led purchases.

INDIA AND EMERGING MARKETS

Key Developments

- India's economy remains resilient, supported by strong domestic demand, manufacturing investment and premium consumer spending.
- Industrial production increased 7.3% YoY in June, while inflation remained manageable at 4.38%.
- Premium retail and manufacturing remain key growth areas, although geopolitical tensions, currency volatility and softer global demand remain risks.
- India continues to benefit from international brands diversifying sourcing away from China.
- Bharat Tex 2026 generated approximately US$2.8B in business enquiries and US$1.49B in textile investment commitments.
- Higher wool costs are encouraging lower Merino percentages in more price-sensitive categories

such as shawls and sweaters.

- Raymond's export-focused garment business grew 50%, while a Nepalese knitting partner expects approximately 15% growth driven by European demand.
- Premium and luxury retail continues to outperform, supported by Reliance Retail, ABFRL and premium e-commerce.
- Woolmark-certified lightweight products are being introduced by brands including Benetton, Bombay Shirt Company, Nicobar and Taneira, with additional sportswear and apparel developments in the pipeline.

GUATEMALA

- Guatemala represents an emerging opportunity as a nearshoring and manufacturing hub serving the U.S. market, supported by CAFTA-DR trade advantages.
- The market has established spinning, knitting, weaving, dyeing, finishing and garment capabilities and can source wool yarn internationally under relevant rules of origin.
- Opportunities include wool-blend yarns, natural and circular textiles, performance socks and knitted wool-blend fabrics.
- Textiles Capuano represents the most immediate opportunity as an existing wool-yarn producer, with larger manufacturers offering potential pathways for greater scale.

INDONESIA

- Indonesia is a potentially significant longer-term wool market, with a textile industry estimated at US$41B but wool-related activity representing only around 0.3% of the sector.
- The country is already a major apparel exporter and could benefit from the ongoing diversification of manufacturing away from China.
- Initial development will focus on mapping manufacturers capable of adopting wool and identifying targeted business and technical opportunities.

BANGLADESH AND VIETNAM

- Bangladesh has progressed from market awareness toward the need for technical support, product development and commercialisation assistance, leading to appointment of a full-time Business Development and Technical Representative in Dhaka.
- Vietnam is strengthening its in-market presence through recruitment of a Business Development Manager in Ho Chi Minh City to complement existing technical capabilities.

FINANCE

The figures below are the figures for the month ending 31st July 2026.

REVENUE

SOURCE	YTD 2026/27 '000's	YTD 2025/26 '000's	BUDGET YTD 2026/27 '000's	BUDGET 2026/27 '000's
Wool Levy	3,472	2,170	3,485	41,814
Government Contributions	0	0	0	13,680
Woolmark Licensing	428	496	405	4,866
Investment Income	339	248	276	3,316
Grants/Voluntary	186	184	195	2,341
Other Income	1,720	1,062	685	915
Total Income	**4,425**	**3,098**	**4,361**	**66,017**

EXPENDITURE

SOURCE	YTD 2026/27 '000's	YTD 2025/26 '000's	BUDGET YTD 2026/27 '000's	BUDGET 2026/27 '000's
Demand Creation	1,387	1,646	3,355	40,260
Sustainable & Profitable Wool-growing	1,000	393	1,313	15,755
Support & Admin	1,461	1,620	1,013	12,152*
Total Income	**3,848**	**3,659**	**5,681**	**68,167**

*Includes A$2.5m of project related costs.

ON-FARM RESEARCH

SUSTAINABLE, PROFITABLE SHEEP PRODUCTION

AWI investment focus - productivity and cost-efficiency for woolgrowers

Investment Focus	Target	Reporting Data Source
Integrated R&D to improve woolgrower productivity, cost-efficiency, and resilience through practical tools and knowledge for decision-making and risk management.	Deliver integrated R&D projects that improve woolgrower productivity and risk management	• Delivery of cross-disciplinary R&D projects that address more than one key production challenge (e.g. genetics + health + sustainability). • Number of research outcomes transitioned to extension/ adoption phases and or incorporated into AWI grower engagement programs.

AWI is investing in a suite of on-farm research and development projects that directly support woolgrowers to lift productivity, reduce costs, and manage risk more effectively. These projects integrate genetics, nutrition, animal health, technology, and decision-support tools to deliver practical outcomes on-farm.

Genetics and breeding

ON-00318 Merino Lifetime Productivity

- MLP Site Seminars have been held at
- 23rd June WA MLP Seminar Burswood on Swan Perth
- 3rd July Dubbo MLP Seminar Dubbo RSL
- 23rd July Balmoral MLP Seminar Bec Reserve Balmoral
- 7th Aug New England MLP Seminar Armidale Bowling Club

A recorded version will be added to wool.com/mlp

Overall the feedback has been very positive across nearly all sectors, with strong support and recognition of AWI for the MLP and MLP Add On projects and outcomes. There have been some differences of opinions and interpretation, mostly regarding

- Genetic technology strengths and challenges
- Financial performance of breeding philosophies/ production systems
- Value of sheep classing
- Value of sheep health and welfare traits and inclusion in indexes and breeding objectives
- The cost benefit of genotyping and genomic only tools

Adoption of MLP outcomes

Off Farm

Updates occurred to the MERINOSELECT traits, analysis methodology and indexes in 2022, 2024 and will again occur in 2027/28.

MLA also plans to:

- Add adult traits to genomic only breeding values and the Flock Profile
- Give credit to breeders who record hogget or adult traits in the Data Quality Score system
- Add adult traits to the incoming stud breeder profile page on MERINOSEELECT web siter (an opt in system where ram breeders display their current drop averages, genetic trends and Data Quality Score as an open resource for ram buyers to compare breeder genetic merit)
- Detail when adult traits are measured under the "traits observed" section of the animal search function
- Add a series of ASBVs over the next 3 years from the MLP Add On projects including breech strike, body strike, urine stain, foot rot, methane, adult fat, feed intake, udders and teats and resilience.

On Farm

- 57% of nearly 200,000 current drop MERINOSELECT animals are now genotyped adding accuracy and stability to ASBVs (0% were genotyped in 2017). This very rapid adoption has come at a large cost to ram breeders ($4M pa). It is likely to hold around 60% but become better targeted at the higher merit animals. (The adoption rate in LAMBPLAN is 25%, and they don't yet have genomic only breeding values)
- Genomic only Breeding Values were released last year but they require independent "ram breeder" validation. AMSEA is comparing the ASBVs, FBVs, and GBVs of 3,500 sire evaluation progeny to adult age at both the individual animal and sire level. The Flock Profile tool will also be assessed at the sire level. The results of this project will influence rates of on-farm adoption. (The MLP lifetime dataset is important to the genomic only technology, particularly adult fleece traits and reproduction)
- In 2005, 35% of clean fleece weight records were recorded at hogget and adult ages which has steadily fallen to 10% for the 2023 drop. In the coming years an increasing percentage will be a measure of on farm adoption of MP outcomes.
- Two years ago, at ram sales where ASBVs are provided, almost no ram sale or display included adult fleece weights alongside yearling fleece weights. At Bendigo this year nearly 20% had included adult fleece weights on pen cards. This metric will also be a measure of on farm adoption.
- Over the last 20 years the genetic trend for adult fleece weight has fallen behind the younger age fleece weight trends. An increasing trend for adult fleece weight compared to the younger ages will be a measure of on farm adoption.
- Increasing rates of index gain has been occurring and MLP has had a part role in this.
- Only 31% of commercial flocks use an outside classer and MLP shows they are most cost effective for commercial wool growers at hogget and early adult ages (and for ram breeders with visual orientated breeding objectives). Future AWI surveys will monitor this KPI.

On going MLP Communication plans

There are ongoing plans to continue to communicate and promote the outcomes of the MLP and MLP Add On projects. They include:

- MLP project final report and economic review is on the wool.com/mlp web page
- Release and promotion of MLP factsheets targeted at ram breeders and buyers and included on web page
- MLP Seminar recording will go on wool.com/mlp web page along with MLP Seminar power points
- Range of 30 min to 2 hour presentations — to ram breeders and buyers
- Individual and group engagement with key ram breeders and classers
- Webinars for advisors - classers
- Beyond the Bale articles
- Industry articles
- AWI extension events
- Scientific publications, conferences
- MERINOSELECT updates 2027–28 and promotion

Genetic R&D priorities post MLP

There are a range of R&D priorities planned to extract the full benefit of the MLP and MLP Add on data sets. They include:

- Finish the full set of parameters, publish, and place them on the MLP website.
- A new custom current profit index to highlight the trade-offs of the animal health and welfare traits that will be available to ram breeders

- More defined values for the efficiency and welfare traits in indexes. Can curvilinear pricing be utilized where once a trait is at a sufficient level, additional gains are valued at a lower rate.
- Further genomic R&D and analysis to better predict adult fleece weight and lifetime profitability very early in life.
- Assist with new RBVs and ASBVs for methane, feed intake, survival, indexes, flystrike, foot rot, visual traits, classing.
- Assist with adding linkage, adult traits and the new traits to Australian Sheep Genomic Values (ASGVs) and Flock Profile.
- Compare differences between the MLP Sites's early life and reproduction non genetic effects with those used in MERINOSELECT. Default adjustments are used in MERINOSELECT yet the 5 MLP sites had variable adjustment results for birth types and rear types and reproduction status of breeding ewes.
- Optimising phenotype and genotype costs with rate of genetic gain across breeding objectives.
- Monitoring on-farm adoption of MLP outcomes
- Technical support for the AMSEA validation of genomic breeding values

Technology and Decision support tools

TEKFARM is a 12-month partnership with Farmers2Founders to help woolgrowers identify, assess and adopt practical agtech solutions. The project will build capability among advisors and support up to 12 participating woolgrowers, and capture evidence on technology performance, return on investment and farm-level benefits. Key learnings will be shared through field activities, peer learning and case studies to inform broader adoption across the wool industry.

Investment Focus	Target	Reporting Data Source
Research aligned with Woolmark+ to support environmental sustainability, animal health and welfare, climate resilience, and premium market access.	Deliver research aligned with Woolmark+ initiatives	• Number of R&D projects initiated or completed that are aligned with Woolmark+ initiatives. • Number of new or refined tools, frameworks, or data sets that help woolgrowers implement nature-positive practices and improve animal wellbeing. • Integration of R&D outcomes into Woolmark+ programs.

AWI is investing in research that strengthens wool's position as a premium, sustainable fibre. Projects are aligned with Woolmark+ initiatives, supporting environmental sustainability, animal health and welfare, climate resilience, and continued access to premium markets.

Environmental sustainability and climate resilience

- *Feed Additives to Mitigate Methane (ON-00918) and Lower Emission Supplements (OF-00608)* are investigating the efficacy and delivery of combinations of sheep feed additives to improve methane abatement as well as productivity in grazing sheep.
- The MERiL 3.2 project "Validating and delivering market-ready feed additive solutions in sheep" is assessing closer to market ready feed additives that reduce methane and improve productivity outcomes. A decision was made on 10 March to postpone the planned 6-month grazing trial at UNE due to ongoing dry conditions and limited pasture growth in the trial paddocks. AWI met with UNE on 12 May to discuss a revised project plan. UNE has proposed replacing the grazing study with a controlled pen trial evaluating tribromoacetic acid (TBAA). TBAA is bromoform analogue and an emerging methane-mitigation compound that may offer improved stability, lower delivery costs and greater suitability for commercial application in grazing systems. The proposed study will assess the effects of TBAA on methane emissions, productivity, rumen function and animal health, while also evaluating product stability over 3 months. It is expected that the project will be delivered within the approved budget and project timeline.
- A MERiL 3.2 Milestone 4 report was delivered in late April, summarising progress across pen, grazing and delivery-system trials investigating methane-reducing feed additives for sheep.
  - UNE pen trials: Several treatments reduced methane emissions, although the strongest reductions in the first pen trial were generally associated with lower growth performance, particularly nitrate treatments combined with Brassica diets. In the second pen trial, water-delivered Bovaer produced the strongest results, reducing methane production by 35–40% and methane yield by 39–43%, with or without Agolin.
  - UWA grazing trial: Preliminary results show only modest differences in methane emissions between the control and additive treatments. Animal health indicators from rumen fluid and blood samples remain within normal ovine reference ranges, with further analysis underway.
  - PIRSA grazing trials: Loose-lick delivery of Agolin and nitrate is highlighting the importance of weather, feeder management and delivery protocols in achieving consistent supplement intake. A second trial is evaluating Agolin and Bovaer delivered through drinking water to 250 ewes using a Dosatron system.
  - NSW DPIRD feeder studies: RFID feeder trials indicate that low-frequency systems can reliably monitor supplement intake and that mobs of up to 160 sheep per feeder can access low-volume loose-lick supplements without restriction. Feeder attendance data may also improve estimates of additive intake and methane reduction. Further work is refining feeder design and placement, with Agolin selected for the final trial phase based on affordability, ease of on-farm implementation and emerging productivity results.
- *Remote Sensing Natural Capital (ON-00910)* and *Piloting Nature Positive Farming (ON-00922, ON-00945)* are developing farm-scale tools and metrics that enable woolgrowers to measure and demonstrate environmental outcomes, aligned with global frameworks such as TNFD. Building industry's capacity to reliably assess and measure the nature positive farming metrics is the current focus. ON-00910 is progressing well. An online workshop was held on 26 May with 35 participants, including woolgrowers, farm advisers, and Landcare/NRM representatives, to demonstrate how the project's map-based outputs could support planning and management decisions. Feedback was gathered on the usefulness, interpretation and practical application of proposed outputs, helping to ensure final products are clear,

accessible and aligned with end-user needs.

- *ON-00945* is developing and testing a standardised manual and quality assurance framework to enable data providers to consistently and accurately generate Nature-Positive Farming (NPF) metrics for woolgrowers. The key output is a validated NPF manual and supporting materials that underpin reliable, scalable measurement and reporting of on-farm natural capital outcomes. A draft NPF manual has been delivered, with the current phase focused on seeking feedback and testing the data capture and quality assurance processes with data providers.
- *Biogenic Carbon Case Studies (ON-00946)* on Australian sheep farms are being funded to support the IWTO Biogenic Carbon Model, to better report carbon flows on farm – with the twin goals of more accurately accounting for wool's net carbon footprint and increasing market demand for wool. The data collection process is underway across three Australian case study farms, with the resulting datasets to be supplied to IWTO for analysis as part of the model validation process. Progress has been slower than anticipated, involving a large volume of data and time required from the participating farmers; however, all case studies are advancing and are now closer to completion.
- *The Environmental Sustainability Extension Program (ON-00955)* is a two-year project designed to provide Australian woolgrowers with clear, consistent and practical sustainability guidance that supports environmental outcomes alongside profitable sheep production. AWI is progressing work to strengthen environmental sustainability extension resources for woolgrowers, with a focus on improving the accessibility, relevance and practical application of information available to industry.
- Enviro-Dynamics have completed a desktop review of existing environmental sustainability extension materials relevant to the sheep industry. The review assessed the quality and accessibility of current resources, identifying key gaps, and considering opportunities to refine existing materials, develop additional wool-specific content and strengthen collaboration across industry. A third Project Reference Group meeting was held on 9 June to review project progress and provide feedback on the draft resource review and stakeholder interview findings. Discussion focused on priority resources, key gaps and opportunities for future extension activities and collaboration with AWI. The final report has been delivered.
- In parallel, AWI commissioned Pinion Advisory to develop simple, practical entry-level environmental sustainability resources to help woolgrowers identify appropriate next steps on farm. The content has been developed with a strong focus on productivity and profitability, while supporting growers to understand and respond to emerging market expectations and opportunities. Six draft fact sheets have been delivered, together with supporting glossaries defining key environmental sustainability terminology.
- This work recognises that global brands, retailers and consumers are increasingly seeking evidence of environmental sustainability credentials alongside animal welfare outcomes. Together, the Enviro-Dynamics review and Pinion Advisory resources will help inform a more coordinated and practical approach to environmental sustainability extension for Australian woolgrowers.
- A new 2-year project Biogenic carbon flux measurement in sheep production systems (ON-00966) delivers a late-stage demonstration site to validate the Agrimix Flux measure-model-verify (MMV) system, which combines flux tower measurements with ecosystem modelling to quantify soil and pasture carbon flows in sheep production systems. Led by Agrimix in partnership with Integrity Ag, the project leverages ~$9 million of prior MLA, Agrimix and Federal Government R&D funding, and aims to deliver a scalable, lower-cost (~$3/ha) modelling approach that supports credible supply-chain insetting for wool. The project addresses a core challenge, that existing soil carbon approaches are expensive, data-intensive and difficult to scale, limiting

uptake by producers and supply chains. Addressing this barrier is important to unlocking practical insetting and carbon reporting pathways, for example, through the Woolmark+ Australian Wool Insetting Program.

- A media release was published on 27 July to communicate the new project woolgrower demonstration site at Achill Station has been set up.
- AWI has commissioned Integrity Ag to deliver a new project Land management for resilient wool production: a review (ON-00973) aiming to consolidate knowledge on best-practice grazing management and effective interventions that improve a wide range of ecosystem services, including net carbon reduction and biodiversity improvement. By consolidating this evidence, the project aims to clarify pathways to greater market recognition for woolgrowers, including how to more comprehensively capture environmental benefits provided by grazing sheep, for example through LCA. The project is expected to deliver a literature review, case studies and communications and extension material for woolgrowers in 2027.

Animal health and welfare

Supporting woolgrowers Tranistioning to Non-Mulesed (ON-00959)

- The Transition to Non-Mulesed (TNM) project has commenced, with the objective of providing structured support to growers seeking to transition to non-mulesed production through the AmpliFly advisory network. Ben Swain has been appointed Project Manager, with Jim Meckiff, Laura Broughton and Steve Cotton engaged as regional AmpliFly advisors covering Nothern/Western NSW, Southern NSW and Victoria respectively.
- Grower recruitment has now been completed, with 56 growers submitting Expressions of Interest to participate in the program. Participant groups are currently being formed and allocated to advisors to support regionally tailored engagement and delivery.
- The first planned activity is a series of StrateFly workshops, which will be delivered by each advisor to their assigned grower group. These workshops will support growers to develop transition pathways and implement management strategies that reduce reliance on mulesing while maintaining animal welfare and productivity outcomes.
- Industry support for the initiative continues to build. German fashion brand Drykorn has committed €3,000 to sponsor the StrateFly workshops, demonstrating downstream supply chain support for growers undertaking the transition to non-mulesed production. Textile Exchange has also expressed interest in collaborating with the project as it progresses.

ON-00901 Nanotechnology and Tea Tree Oil (ON-00901)

- The research work continues focused on optimising the nano–tea tree oil (nano-TTO) formulation to achieve both rapid flystrike repellency and extended larvicidal protection under field-relevant conditions, while improving manufacturing consistency and scalability. Building on the previous F5 formulation, which maintained ~90% efficacy for 7 days but declined to ~40% by day 14, the team systematically refined the formulation to address the key limitation of insufficient long-term performance.
- The formulation optimisation program successfully extended the duration of protection from approximately one week with the original F5 formulation to at least four weeks with the final F10 formulation. F10 maintained 98% larval mortality at 21 days and 88% mortality at 28 days under environmental exposure, while also sustaining strong oviposition repellency. This exceeded the project's minimum target of three weeks of effective protection and provided a strong basis for progression to animal trials.
- F10 was shown to possess inherent self-wetting properties, eliminating the need for additional surfactants and simplifying the formulation.

Manufacturing robustness was enhanced through process optimisation, improving batch consistency and scalability. A comprehensive animal trial protocol and ethics application have also been completed, positioning the project to advance into in vivo evaluation and supporting the transition from laboratory validation toward commercial field deployment.

AWI investment focus - breeding tools for genetics, emissions reduction and business resilience

Investment Focus	Target	Reporting Data Source
Breeding tools to support sheep genetics, emissions reduction, and business resilience through improved woolgrower efficiency and adaptability.	Develop and disseminate breeding tools that enhance woolgrower resilience and efficiency.	• Completion of research outputs related to trait selection for parasite resistance or climate adaptability. • Completion of R&D outputs that contribute to the development and update of breeding indexes or tools for commercial woolgrower use. • Number of grower-facing activities (e.g. case studies, workshops, online resources) featuring these tools.

AWI continues to invest in genetic research and breeding tools that build the efficiency, adaptability, and resilience of Australia's sheep industry. These projects deliver practical outcomes for woolgrowers by targeting key traits, updating breeding indexes, and ensuring tools are widely accessible through extension and adoption activities.

Genetic tools and trait development

- A new project $11M global project *Breeding for Reduced Methane Emissions (ON-00958)* (AWI has committed $340K in 2027 to 2030) is seeking to reduce sheep methane production by selecting and breeding from low methane emitting sheep. The project is funded by $3M from the Global Methane Hub (Bezos Earth Fund, Bill and Melinda Gates Foundation, Bloomberg Philanthropies and Google), $3M from MLA's Meat Donor Company, $1.1M from Beef and Lamb Genetics NZ, $800K from AMSEA sire entrant fees (used to attract MLA MDC funds) and $340K (3%) from AWI.
- *Genetics of Foot Health (ON-00872)* has been extended another year to get more data given the low expression of foot rot in the past few drier southern seasons.
- *Flystrike Genomics Reference Project (ON-00866)* has released Project Breeding Values of Breech Stike to the participating research and ram breeder flocks with encouraging feedback. The aim is to progress to Research Breeding Values including more correlated visual traits by the end of 2026, then moving to ASBVs by 2028.

WOOL HARVESTING

TRAINING AND DEVELOPMENT (ON-00992)

With the 2026/27 Wool Harvesting Training and Development budget approved at the June meeting, contracts are now in place with trainers and RTO to deliver the program. Figures for the 2025/26 project (ON-00938) are finalised as shown below.

ON-00938 Program Delivery (Summary of 2025/26)

- 781 training days delivered across Australia.
- 1,332 shearers and wool handlers trained during the financial year.
- 72% Existing workers: approximately 959 participants.
- 28% New entrants: approximately 373 participants.

Key Highlights

- The program successfully delivered 781 training days, supporting the development of 1,332 industry participants.
- A strong emphasis on upskilling the existing workforce resulted in an outstanding 95% retention rate, demonstrating the value of ongoing professional development.
- The program also attracted a significant number of new entrants (28%), with 66% retained, contributing to the long-term sustainability of the shearing and wool handling workforce.
- Overall, the program retained approximately 87% of all participants, representing a strong return on investment in workforce capability and industry resilience

AWI Trainer Consistency Workshops

To ensure the continued delivery of high-quality, nationally consistent training, three AWI Trainer Consistency Workshops were conducted during the 2025–26 financial year:

- Naracoorte, South Australia – in conjunction with SCAA Training.
- Narrogin, Western Australia.
- Orange, New South Wales.

These workshops provided an important opportunity for AWI trainers to collaborate, review current training practices and strengthen the consistency and professionalism of training delivery across Australia.

Key Outcomes

The workshops focused on several priority areas:

- Training consistency: Reviewing and standardising novice shearer and wool handler training to ensure a nationally consistent and contemporary approach.
- Training terminology: Aligning the language and terminology used by trainers to improve consistency and clarity across all training programs.
- Professional standards: Reinforcing best-practice training methods and ensuring trainers continue to deliver programs to the highest professional standard.
- Animal welfare: Reviewing current animal welfare training to ensure industry expectations and best practices remain embedded throughout all training activities.
- Future workforce development: Identifying opportunities to strengthen career pathways, improve participant retention and support the long-term sustainability of Australia's shearing and wool handling workforce.

Strategic Value

The Trainer Consistency Workshops are a critical component of AWI's continuous improvement framework. By bringing trainers together to share knowledge, standardise delivery and identify future opportunities, the workshops help ensure participants receive a consistent, high-quality learning experience regardless of where they undertake their training.

Animal Welfare Workshops

Thes workshops have had traction and are a key focus for the next 12 months and with 2143 participants now trained, shows strength and highlights the need for this training and for wool harvesting staff to be aware of their responsibilities. The shearing shed is the first stage of wool processing where we harvest the wool from the sheep, it is important to have all staff trained and able to offer best practice for animal welfare.

AWI & SCAA Training have collaborated to run animal welfare workshops for industry.

The workshops, running in all states, have had financial support from, SCAA, Inland Wool Brokers, NCWSB, ACWEP all seeing the need to keep our industry well trained & supported with a practical, fee free workshop in a working shearing shed.

WOOL HARVESTING INITIATIVES

AWI investment focus – alternatives to traditional shearing

Investment Focus	Target	Reporting Data Source
Wool harvesting research to provide alternatives to traditional shearing and improve clip quality and preparation.	Advance the development of wool weakening technologies to improve shearing efficiency.	• Completion of in-vitro (lab-based) testing and analysis of wool weakening agents. • Progress on trials to evaluate safety, wool quality and feasibility of application. • Technical reporting delivered outlining efficacy, risks, and potential for commercial scalability. • Identification of commercial or research partners for futur=e co-investment (if applicable.

AWI investment focus – animal welfare assurance

Investment Focus	Target	Reporting Data Source
Animal welfare assurance as a core requirement in the development of alternative harvesting solutions.	Ensure wool weakening R&D incorporates robust animal welfare and safety assessments	• Completion of welfare impact assessments as part of in-vivo trial protocols. • Independent ethics approval and ongoing oversight of animal testing procedures.

AWI is investing in innovative research to provide safe, welfare-focused alternatives to traditional shearing, addressing workforce challenges while improving clip preparation and quality. The program focuses on developing and trialling wool-weakening technologies that allow fibre to be removed more efficiently and humanely.

Bioharvesting Phase 2 (ON-00954)

- Over the past six months, the Bioharvesting project has made significant progress in identifying and validating compounds with the potential to weaken wool fibres and enable harvesting without shearing. Multiple candidate agents have been evaluated using the follicle culture system. One compound demonstrated strong effects on wool follicles and fibres, indicating it is a highly promising fibre-weakening agent. A second compound also produced changes consistent with fibre weakening and will undergo further dose-response testing to confirm its effectiveness. Analysis of two additional candidate agents is ongoing.
- Researchers have also developed a sensitive assay for another promising compound, which has now been obtained and will be evaluated in the follicle culture system before being fast-tracked to sheep trials in the coming months.
- An important milestone has also been achieved through the successful synthesis in house of a compound targeting the project's primary biological pathway. Producing this compound in-house has enabled the team to generate sufficient quantities at a fraction of the commercial cost, removing a significant barrier to in vivo testing. The synthesised compound has been purified and verified as suitable for use in upcoming sheep trials.
- An initial commercialisation plan has been developed outlining potential pathways to market for the bioharvesting agent. The report presents two options: partnering with an existing animal health/pharmaceutical company through a licensing arrangement, or establishing a dedicated spin-out company to commercialise the technology.

GROW DEMAND AND FIBRE ADVOCACY

AWI investment focus – engagement with European policy makers

Investment Focus	Target	Reporting Data Source
Engagement with European policy makers and advocacy of wool's positive benefits	Influence impending textile legislation and amplify the ecological attributes of Australian Merino wool.	• Engage with and influence policymakers, via the Make the Label Count campaign, to level the playing field for wool compared with other apparel fibres.

AWI continues to invest in defending and promoting the eco-credentials and benefits of Australian wool.

Progressing LCA data

AWI has commissioned Kettlewell Consulting to update the manufacturing stage data for AWI's wool Life Cycle Assessment (LCA). Since the last dataset was collected in 2017, improvements in manufacturing efficiency, energy use and emissions management across wool processing are expected to result in an improved environmental profile for the manufacturing stage. Contracting with processors is underway.

Dynamic breathability

AWI is continuing to work alongside North Carolina State University facilitating the final publication of the American Standard Test Method (ASTM) F3628 which remains under consideration by the ASTM technical committee. The new protocol simulates the sweating and non-sweating cycles typically experienced by cyclers, hikers and rock climbers, where body temperature fluctuates and comfort is critical. In particular, the protocol highlights the significant 'after-chill' experienced during the non-sweating cycles in all fabrics except wool. Project PF-00035 dynamic breathability thresholds" seeks to further progress the pathway from research to commercialisation, by establishing Woolmark certification thresholds for the dynamic breathability attributes. Part of this work will be assessing the extent to which wool's dynamic breathability attribute is reflected in wool blends. AWI commissioned Chia Her to manufacture fabrics of different fibre composition for testing. The fabric manufacturing process has now been completed; to be tested at SGS Tawain once the installation of new machinery is finalised.

EXTENSION

AWI Extension Networks

The AWI Extension Networks have been actively delivering information via face-to-face opportunities, webinars, newsletters and emails across Australia. Many collaborative events have been delivered across Australia, and further opportunities are being actively sought and negotiated.

Four of AWI's six AWI Extension Networks finished their funded term at end of June 2026. AWI management has prepared funding applications for review by the AWI Board.

Several of the AWI Extension Networks' Producer Advisory Panels (PAP) have met in the last few months, with the remainder to meet in the coming months. These PAP Meetings are used to provide advice to inform the activities of AWI Extension in the 2026 calendar year, as well as strategic planning for 2026–27 financial year and beyond.

Seasonal conditions driving demand for information

Whilst most wool-growing regions across Australia received welcome rain earlier in the year which has continued, a few other major regions have missed out entirely or haven't had follow up rain to make use of what fell early in 2026.

The prolonged warm weather and lack of rain, particularly decent runoff rain, has meant that those regions are facing drastic water and feed shortages, and stock turnoff and supplementary feeding levels have been and continue to be high.

Demand from growers for information regarding feed budgeting, drought feeding, decision making about which sheep to prioritise retaining, and prioritising sheep on farm depending on their requirements, remains high.

In those regions that have seen solid rain, many are experiencing better than expected lambing results, mostly anecdotally attributed to improved feed availability and the very mild winter we've seen so far. There has still been a relatively high demand for feed budgeting information from these regions, as well as more traditional production topics (such as ewe and ram reproduction) and a slowly increasing demand for cost of production and business information.

Events hosted or attended by AWI Extension

- AWI Extension SA webinar: Footrot update (online)
- AWI Extension SA webinar: KI sheep blowfly sterile insect technique (SIT) project (online)
- AWI Extension NSW webinar: Plan to lamb (online)
- Campbell Town Show (Campbell Town, TAS)
- AWI Feed Budgeting Masterclass (Gundagai, NSW)
- AWI Extension SA webinar: Weaning planning for 2026 (online)
- Livestock SA Lamb Survival Workshop (Melrose, SA)
- Livestock SA Lamb Survival Workshop (Clare, SA)
- SA Sire Evaluation Field Day (Turretfield, SA)
- AWI Repro Masterclass (Yass, NSW)
- AWI Extension NSW webinar: Best practice weaning in 2026 – in all seasonal conditions! (online)
- MLP Site Seminar – Pingelly MLP site (Perth, WA)
- BestWool/BestLamb Conference (Ballarat, VIC)
- Winning With Weaners (Laggan, NSW)
- Cost of production workshop (Wanganella, NSW)
- AWI Extension SA webinar: Weaning planning for 2026 (online)
- MLP Site Seminar – MerinoLink & Macquarie MLP sites (Dubbo, NSW)
- Eyre Peninsula Stud Merino Expo (Wudinna, SA)
- LambEx (Adelaide, SA)
- AWI Extension NSW PAP Meeting (online)
- Leading Sheep PAP Meeting (online)
- Australian Sheep & Wool Show (Bendigo, VIC)
- RAMping Up Repro (Kyancutta, SA)
- RAMping Up Repro (Charra, SA)
- South East Stud Merino Field Day (Keith, SA)
- MLP Site Seminar – Balmoral MLP site (Balmoral, VIC)
- StrateFly (Boorowa, NSW)
- RAMping Up Repro (Esperance, WA)
- Winning With Weaners (Campbell Town, TAS)
- Growing the Future (Adelaide, SA)
- MLP Site Seminar – New England MLP site (Armidale, NSW)
- ASA National Young Judges finals – Merino Sheep and Merino Fleece (Brisbane, QLD)
- Rabobank National Merino Show & NSW School Wether Comp (Dubbo, NSW)
- Eyre Peninsula Field Days (Cleve, SA)
- Leading Sheep Field Day: Smart Yards, Smarter Flock! (Goondiwindi and Yelarbon, QLD)
- StrateFly (Dubbo, NSW)
- UPCOMING: StrateFly (Ballarat, VIC)
- UPCOMING: RAMping Up Repro (Nyngan, NSW)
- UPCOMING: SimpliFly (Roseworthy, SA)
- UPCOMING: SimpliFly/AWI Flystrike Masterclass (Kangaroo Island, SA)
- UPCOMING: AWI webinar: Cost of production (online)
- UPCOMING: SALC SA Livestock Advisor Update (Adelaide, SA)
- UPCOMING: Peter Westblade Training Weekend – Jimembuen (Dalgety, NSW)

DEMAND CREATION

Demand Creation is strengthening the pathway from market engagement to commercial adoption, with greater focus on partner co-investment, certified product outcomes and evidence of category performance. This is supported by a clearer operating model and the development of more consistent demand intelligence, enabling management to distinguish activity and early-stage pipeline from realised demand.

Commercial partnerships and product adoption

Woolmark's collaboration strategy is attracting a strong network of premium performance partners across priority categories, including Tracksmith and UNNA in running, The North Face Korea, Anta in outerwear and base layers, Rossignol in ski, and Bond-eye in swimwear. Partnerships are increasingly being structured around performance science, visible Woolmark certification and premium category positioning.

Global consumer campaign

The global consumer campaign has moved from platform development into launch preparation, with the core creative system, market strategy and measurement framework now established. The campaign will launch through two connected phases: an initial cultural moment designed to establish the relevance of wool's Natural Intelligence, followed by sustained brand activity that builds awareness of Woolmark and willingness to pay more for wool and Woolmark-certified products. Three video ads will build an emotive story around Woolmark's most valuable, intangible benefits; quality and trust. The storytelling will be reinforced by scientific and uniquely ownable performance proof-points. Assets are designed to be timeless, brand statements that can be used for multiple seasons.

Media investment for year 1 will be concentrated in priority launch locations, including Paris, Milan, Germany and China, with activation sequenced to relevant market and retail opportunities.

In China, a locally developed Tmall campaign featuring model and celebrity He Sui will translate the global positioning into culturally relevant consideration and purchase activity.

In the United States, targeted activity will run in Portland alongside the Functional Fabric Fair powered by PERFORMANCE DAYS. This will connect the consumer platform with an influential international trade audience and the headquarters of major sports brands, including Nike, adidas and On Running.

Campaign effectiveness will be assessed, including Woolmark awareness, willingness to pay, message comprehension and brand lift, supported by in-market search and media-performance measures. Management will report initial results following completion of the principal campaign period.

Product innovation and trade development

The new Woolmark Base Layer Collection will launch to trade audiences in September as a best-in-class demonstration of next-to-skin Merino wool innovation. Developed as 23 styles across 10 categories with 18 partners, which will be supported by a global technical toolkit and sample sets for each regional office

The collection is the first output from the new 'product-platform' strategy. As part of an operational update to processes and priorities across the Product and Trade teams, five commercially relevant product platforms have been established to focus technical and innovation resources on areas with the strongest potential for adoption, partner investment and scalable commercial outcomes. Product platforms include: 1. Lightweight Innovations, 2. Natural Performance Innovation, 3. Applied Performance Applications, 4. Scalable Blends 5. Responsible & Sustainable Processing.

Trade Engagement

Woolmark also participated in the Korea International Safety & Health Show (KISS), Korea's largest occupational safety, workwear and personal protective equipment exhibition. The event attracted more than 37,340 visitors and 320 exhibiting companies. Approximately 100 people visited the Woolmark booth, generating 50 business contacts and three qualified product-development requests.

The most significant opportunities include a Kevlar®–Merino wool fabric for firefighter base layers, a mesh-structured base layer, and flame-resistant fabrics for Korean workwear brand Boldest. Total participation cost was approximately A$5,400.

At Pitti Filati, the Woolmark stand attracted 212 visitors, including representatives from Stella McCartney, Oysho, Loewe, Lululemon, Hugo Boss, Giorgio Armani, Burberry, Louis Vuitton and Max Mara. The event generated follow-up opportunities across product development, certification and technical innovation.

SUSTAINABILITY

Pillar 1: Grow Demand and Fibre Advocacy

Investment Focus	Target	Reporting Data Source
Advocacy of wool's positive benefits.	Influence impending textile legislation and amplify the ecological attributes of Australian Merino wool	• Provide the science to level the playing field for wool compared with other apparel fibres via the Make the label count campaign

AWI's sustained engagement in the EU's Product Environmental Footprint (PEF) process—as a coalition member of the Make the Label Count campaign—has been instrumental in ensuring that concerns about the proposed environmental labelling for apparel products are heard. The PEF methodology favours synthetic fibres over natural ones like wool.

EU PEF & make the label count campaign

- Since 2021, the Make the Label Count (MTLC) campaign has been calling for fair and credible sustainability claims in the textiles sector, advocating for a level playing field across all fibre types. At the heart of this work is the Product Environmental Footprint (PEF) methodology, a tool used to calculate the environmental impact of a wide range of products, including textiles.
- The campaign's aim is to ensure that the PEF methodology—before it is introduced into the EU market for apparel and footwear—accurately reflects the environmental performance of all fibres. Natural fibres, such as wool, risk being unfairly rated due to methodological gaps, including incomplete accounting for the impacts of fossil fuel-based synthetic fibres (for example, microplastic pollution).
- MTLC continues to advocate for fair recognition of sustainably sourced renewable materials in textile policy, including direct engagement with EU Commissioner Roswall's Cabinet. The campaign has also contributed to public consultations on the French Environmental Label methodology and the EU Digital Product Passport.
- The Commission has delayed public consultation on the review of the Environmental Footprint methods - the foundation of the PEF. This may create additional time to advocate for improvements relevant to wool, including the treatment of carbon, biodiversity, microplastics, land use and comparisons between renewable and fossil-based materials.

Adoption of AWI wool LCA datasets sees 86% reduction

- Engagement with global Life Cycle Assessment (LCA) database and tool providers is being ramped up after the successful adoption of the AWI wool LCA dataset into a prominent French LCA platform led to an 86% reduction of the Product Environmental Footprint score for wool on the platform. Brands and supply chain stakeholders use these LCA tools to assess the environmental footprint score of the different materials they use and very often these tools have poor-quality data for wool.

EU legislative update: new EU greenwashing rules soon enter into force

- The EU's Empowering Consumers for the Green Transition Directive will apply from 27 September 2026. It strengthens consumer protection rules against greenwashing and misleading environmental claims, including around sustainability labels, durability and repairability. For wool, this reinforces the need for robust substantiation of claims relating to renewability, biodegradability, long service life, repairability and circularity.

Pillar 2: Sustainable and Profitable Wool-Growing

Investment Focus	Target	Reporting Data Source
Generate engaging and educational Woolmark+ content creation; presence at key global events.	Drive awareness and engagement of Woolmark+ initiatives	• Initiatives launched • Brands engaged • Earned media clippings
Research aligned with Woolmark+ to support environmental sustainability, animal health and welfare, climate resilience, and premium market access.	Deliver research aligned with Woolmark+ initiatives	• Number of R&D projects initiated or completed that are aligned with Woolmark+ initiatives • Number of new or refined tools, frameworks, or data sets that help woolgrowers implement nature positive practices and improve animal wellbeing • Integration of R&D outcomes into Woolmark+ programs

The Woolmark+ roadmap includes 13 different initiatives designed to empower woolgrowers and supply chain partners to accelerate the industry's transition to a nature positive future, building on existing successes while introducing new initiatives to safeguard the future of wool.

Woolmark+ Australian Wool Insetting Program

- The Woolmark+ Australian Wool Insetting Program is a three-year pilot initiative designed to develop an insetting framework for the Australian wool industry, enabling greenhouse gas (GHG) emissions reductions and removals to be retained within the wool textile value chain.
- The program aims to deliver measurable Climate and Nature Outcomes, enable both Brand Participants and Woolgrowers to report on these outcomes, and test the viability, functionality and scalability of insetting as a market mechanism. This approach is intended to support Woolgrowers in accessing new economic opportunities by responding to evolving market demands over time.
- The Program has completed its establishment phase, with agreements now executed with all pilot participants, including funding partners (brands and supply chain partners) and participating woolgrowers. This confirms the scope and scale of the pilot and enables implementation to progress.
- Current focus is identifying and prioritising emissions reduction and removal activities suitable for integration into participating farm businesses. Opportunities being considered span four broad areas: flock management and animal husbandry, feed management, grazing management and environmental plantings.
- The next phase will move the Program from planning into implementation, with woolgrowers submitting activities for funding consideration before approved activities commence on farm.
- The first Climate and Nature Outcomes Report in early 2027 will represent a key milestone in demonstrating how outcomes generated through the pilot can be measured and communicated across the wool value chain.

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