

Everledger and Australian Wool Innovation (AWI) use blockchain as a solution to trace the wool chain of custody from grower to garment

AWI and Everledger have pioneered a supply chain traceability proof-of-concept to capture and make visible secure information about wool provenance and its supply chain to create new sources of value for wool growers, manufacturers and retailers.

SYDNEY, AUSTRALIA

The Australian wool industry and its partners have begun tracing the lifetime journey of authentic wool products, thanks to an initiative between the global pioneer in provenance technology, Everledger, and the not-for-profit body for the Australian wool industry, Australian Wool Innovation (AWI).

Everledger and AWI, which is also the parent organisation for The Woolmark Company, have now completed their proof-of-concept stage. Information has been captured along the wool supply chain to enable verifiable provenance and chain of custody using blockchain technology.

In line with AWI's strategic response to enabling material traceability, capturing the flow of wool information enables verifiable claims of origin and sustainability, supports biosecurity efforts, and can deliver compliance and ESG reporting efficiencies. This offers value to all parties, whether that is attracting new buyers or higher prices for growers, enabling verifiable information for certifiers and regulators, or equipping apparel brands to have a robust point of difference with their finished garments.

John Roberts, the acting CEO of AWI, said that he was delighted that the project had materialised real industry examples of how this can be done, as well as generating insights from market participants about the value of these efforts. "What is clear from this proof-of-concept is that there is demand across the value chain and by stakeholders for the wool industry to deliver on traceability, and we look forward to advancing on the gains made here as well as the recommendations made in the recently published Traceability in the Australian Wool and Sheep Industry report by WoolProducers Australia for the benefit of Australian woolgrowers"

Merino sheep are celebrated globally for producing the world's finest, softest and most beautiful wool. Australia produces around 90 per cent of the world's fine apparel wool and this makes significant contributions to the Australian economy. What is more, the fibre is natural, renewable and biodegradable. Many Australian woolgrowers are able to demonstrate that their farms can sequester carbon, increase biodiversity and strengthen climate resilience - but many of these important messages aren't making it to market, or if they are, lack the substantiation to make the claims credible.



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APG & Co, who have a portfolio of well known Australian brands including Sportscraft, SABA and JAG, was a POC participant. Genevieve Moody, Social and Environmental Manager at APG & Co said of their experience, "The need for fully traceable apparel supply chains is of paramount importance not just for our business but for our customers as well. Due to the complexity of supply chain tracing, it was great to work directly with Australian Wool Innovation and Everledger to see genuine traceability improvements. Being a part of the POC has not only allowed us access to a fit-for-purpose tracing solution, it has also provided the opportunity to discuss ethical and sustainability data collection points we would want to have integrated in future. It has been enlightening to be involved in the development of the tool, which can guarantee the authenticity and reputation of our claims. We look forward to continuing our engagement as this work matures into an industry solution."

The proof-of-concept involved seven distinct supply chains tracing from wool growers, through brokers and export, to scouring, combing, spinning and dyeing, to weaving or knitting and the final product. It worked closely with all parties in those supply chains, as well as end-consumer brands, to understand the nature of business processes, the data available, and the types of claims different parties wished to make. Key to the success was establishing a prototype tool that enables upstream or downstream supply chain participants to invite associated parties, helping to navigate supply chain opacity in a trustworthy manner.

The information supplied was grounded in blockchain, offering immutable records authored by each party to be stitched together to create a full picture. The solution enables retailers or end consumers to be able to verify where and when the original wool was produced, and key stages in its journey to market.

"We love working with visionary partners", Leanne Kemp, CEO of Everledger, "Traceability used to be considered a nice-to-have, now in multiple supply chains and across many material types, it is essential. Other industries, such as critical minerals and batteries are now rapidly responding to regulatory requirements for transparency and accountability, such as those coming into effect through the European Union in 2023, or to resolve questions of Modern Slavery or greenhouse gas emissions. AWI is taking a lead for other traditional industries in Australia to follow, and in doing so demonstrates both responsible leadership and an acute vision to see how blockchain combined with other technologies can generate significant economic value and sustainability."

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ABOUT AUSTRALIAN WOOL INNOVATION:



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Australian Wool Innovation (AWI) is a not-for-profit organisation owned by all Australian woolgrowers. AWI invests in research, development, education and marketing along the global supply chain for Australian wool.

AWI makes strategically targeted investments to enhance the profitability, international competitiveness and sustainability of the Australian wool industry. Funded by Australian woolgrowers, the cooperative is focused on delivering results for wool levy payers.

Working along the supply chain of Australian wool, AWI nurtures talent, innovates through research, and actively invests in pushing the boundaries of what wool means to the world.

For more information, visit: www.wool.com

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ABOUT EVERLEDGER:

Founded in 2015, Everledger is an independent technology company helping businesses surface and converge asset information, using a symphony of secure technologies, including blockchain, artificial intelligence, intelligent labelling and Internet of Things. Our purpose is to contribute greater clarity and confidence in marketplaces where transparency matters most.

Everledger is committed to helping every link in the industry value chain to achieve a positive environmental impact from traceability. Our technology brings increased transparency to supply chains, benefiting stakeholders who adopt sustainable practices while bringing visibility to their end consumers.

We digitally streamline our clients' compliance processes, to help them demonstrate the lifetime story of an asset with greater efficiency and accuracy. As technology partners, we also support in powering resilience and sustainability. With the information out in the open, we believe the value of many industries – from diamonds to fine wines, to e-recycling – will be shared by all stakeholders throughout the value chain.

Everledger is certified with the ISO 27001 standard by the British Assessment Bureau, a testament to our robust, ongoing and systematic approach to information security.

Everledger has been awarded a <u>Technology Pioneer</u> by the World Economic Forum in 2018. For more information, visit: <u>www.everledger.io</u>

MEDIA RESOURCES:

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