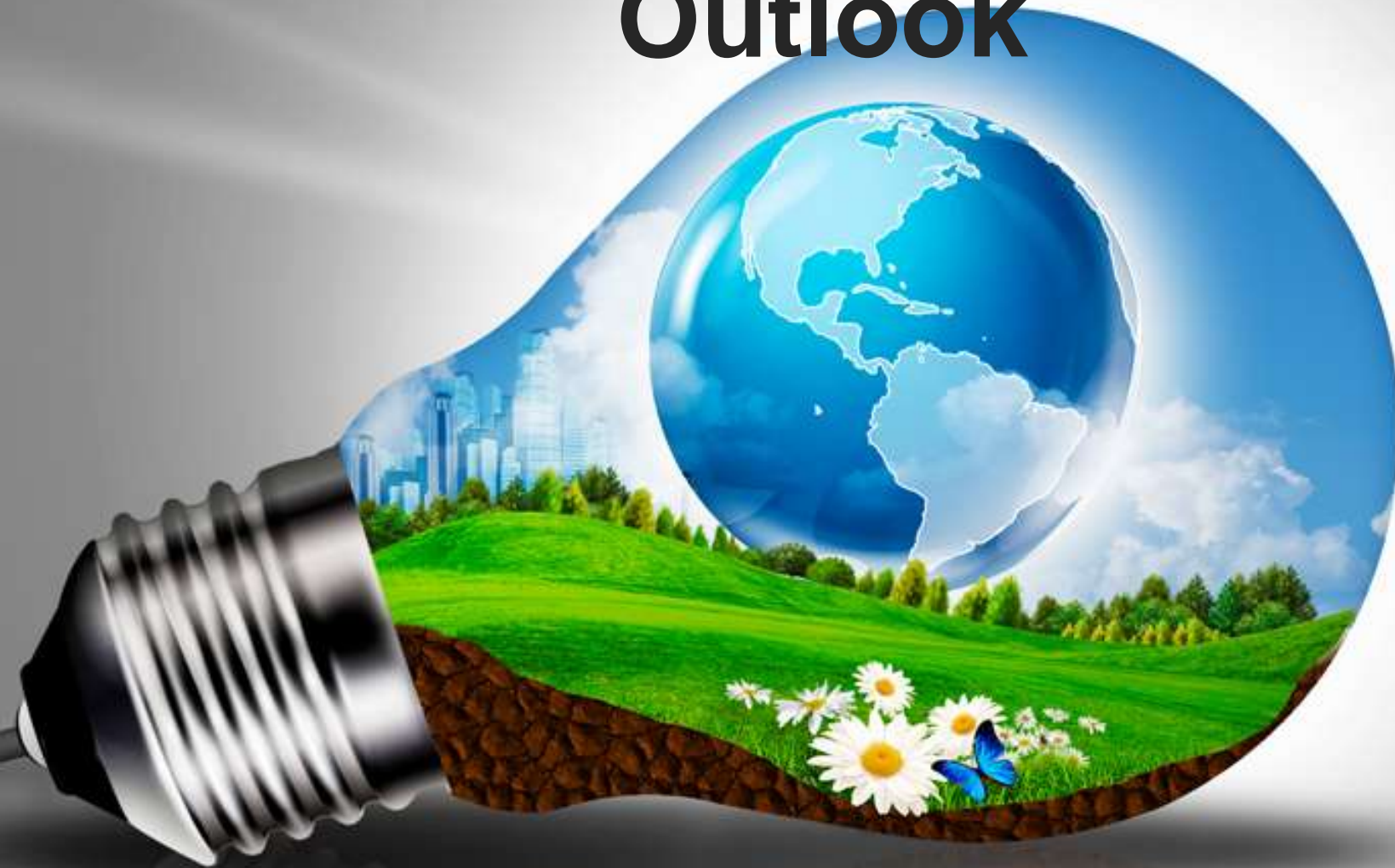
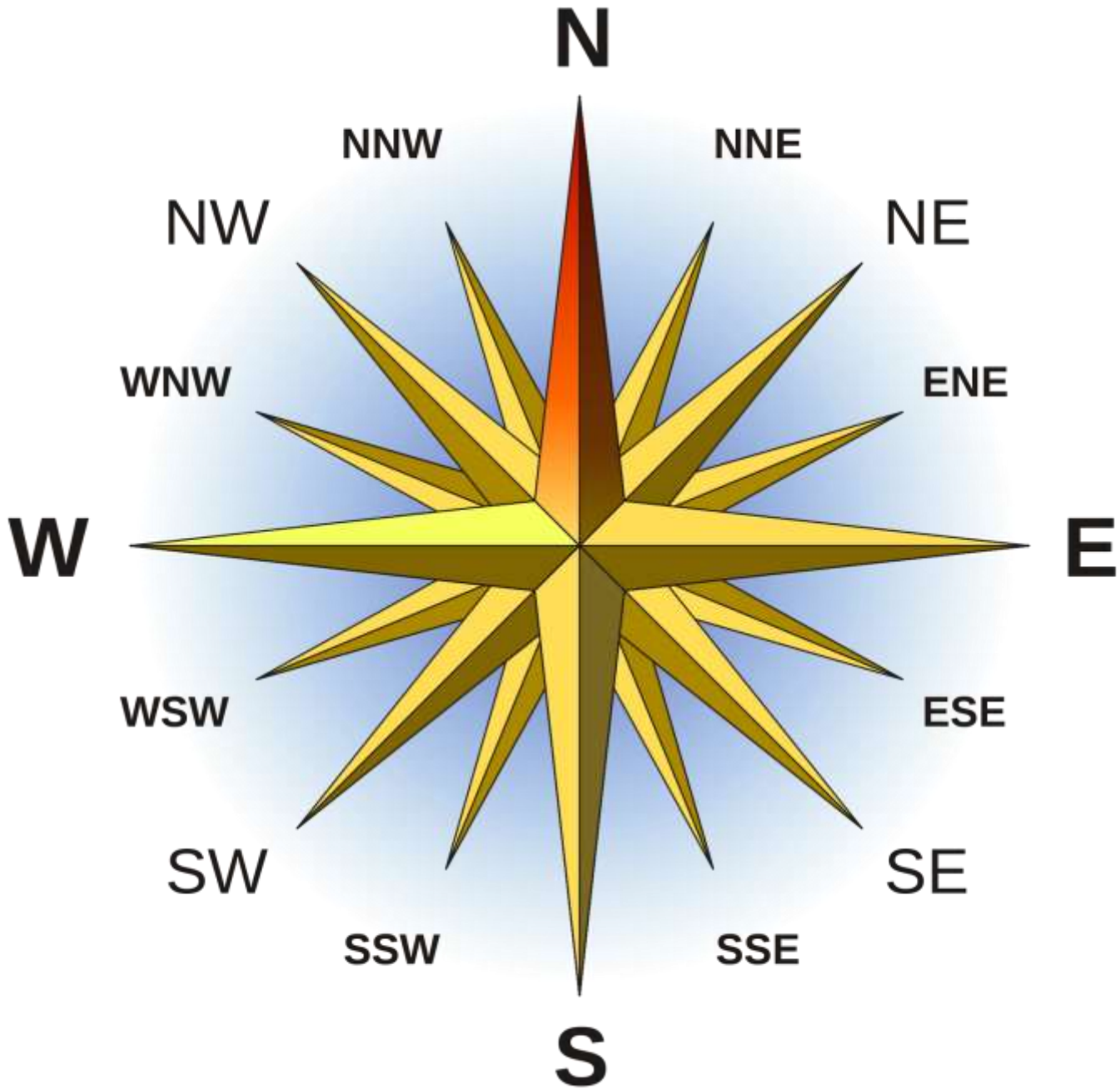
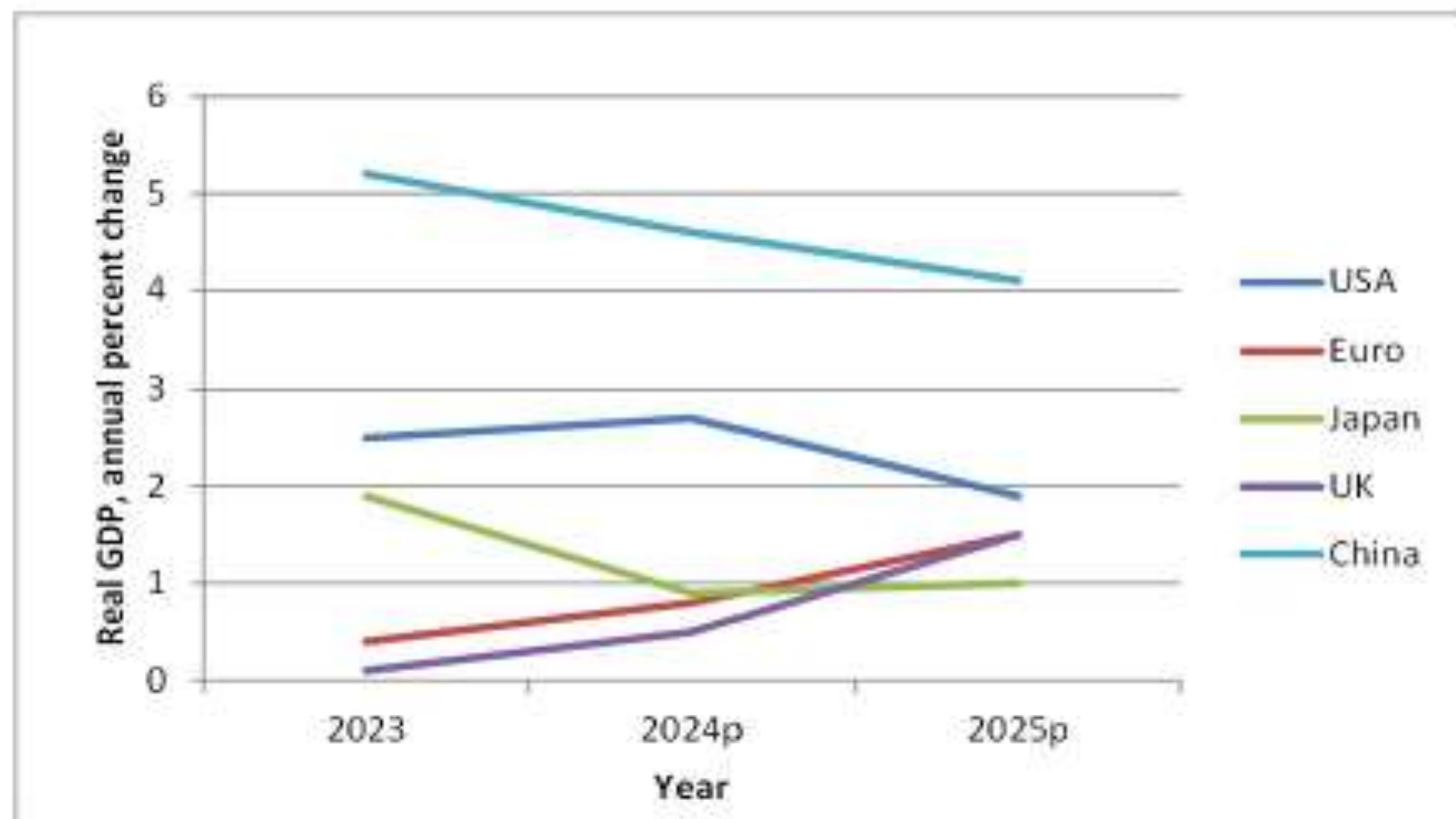


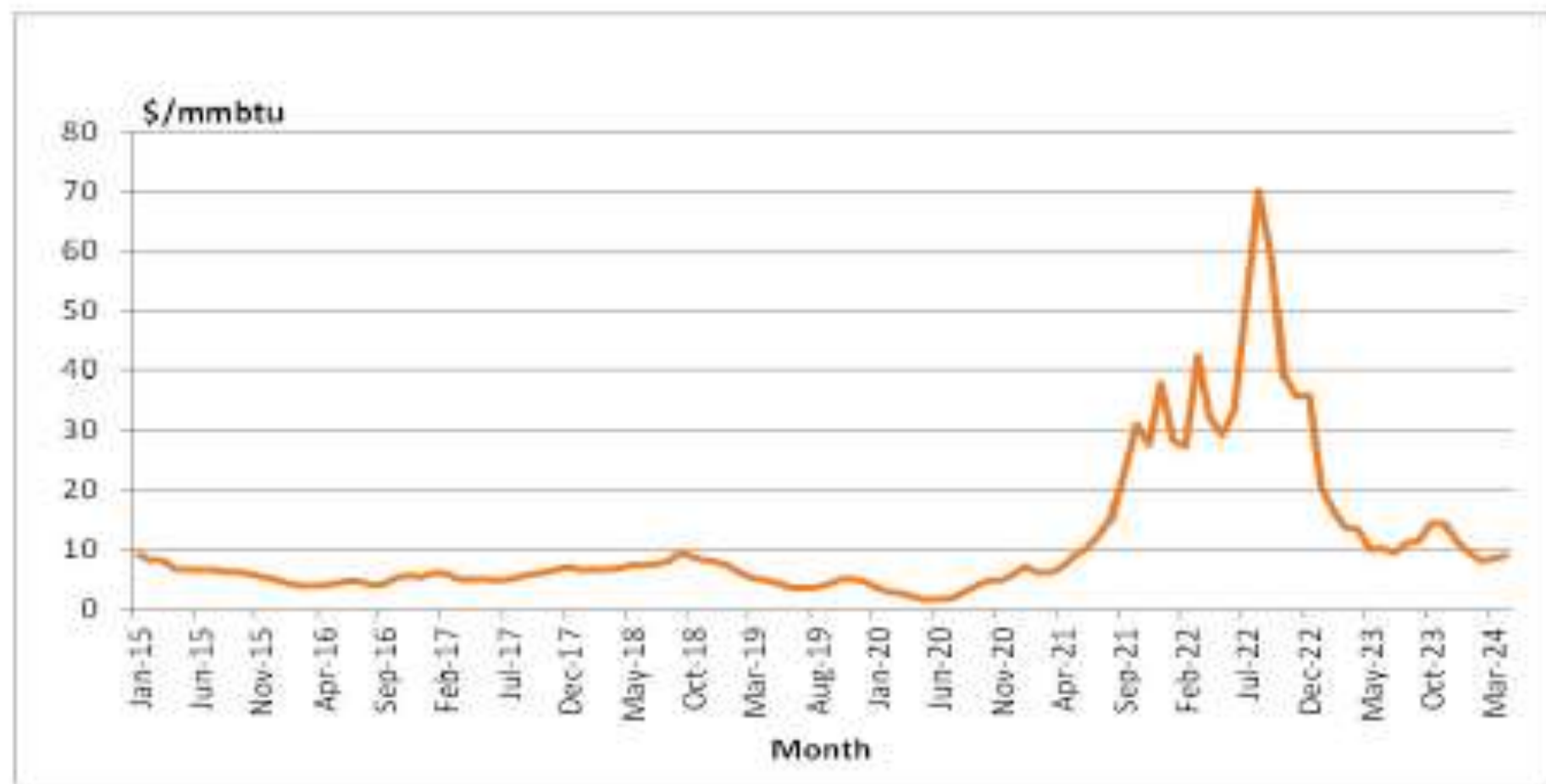
# Outlook



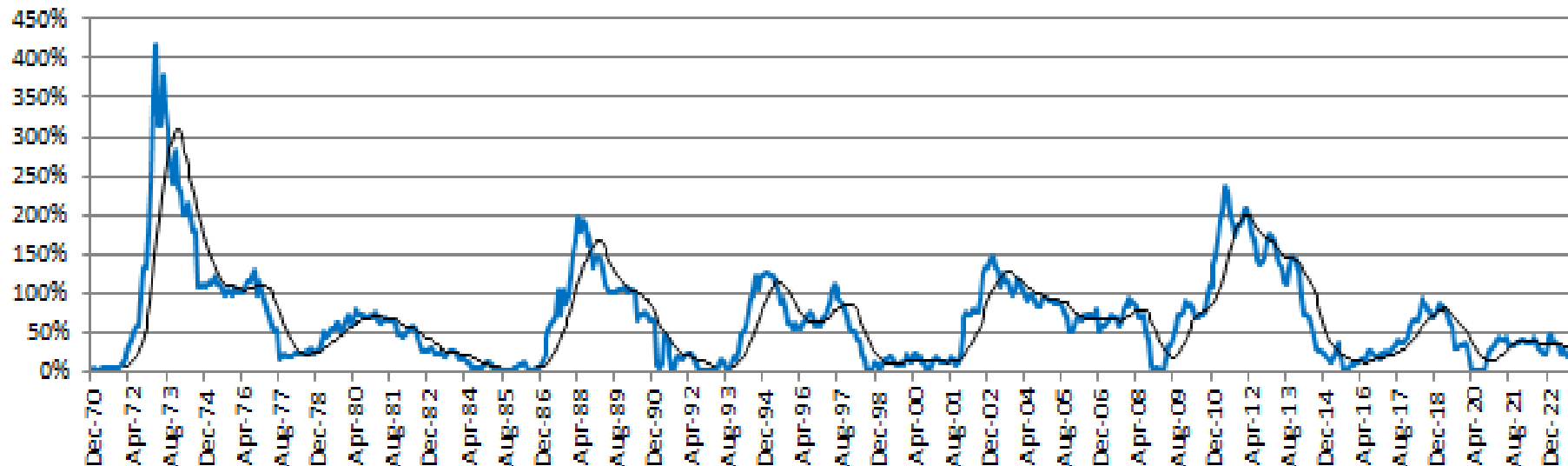




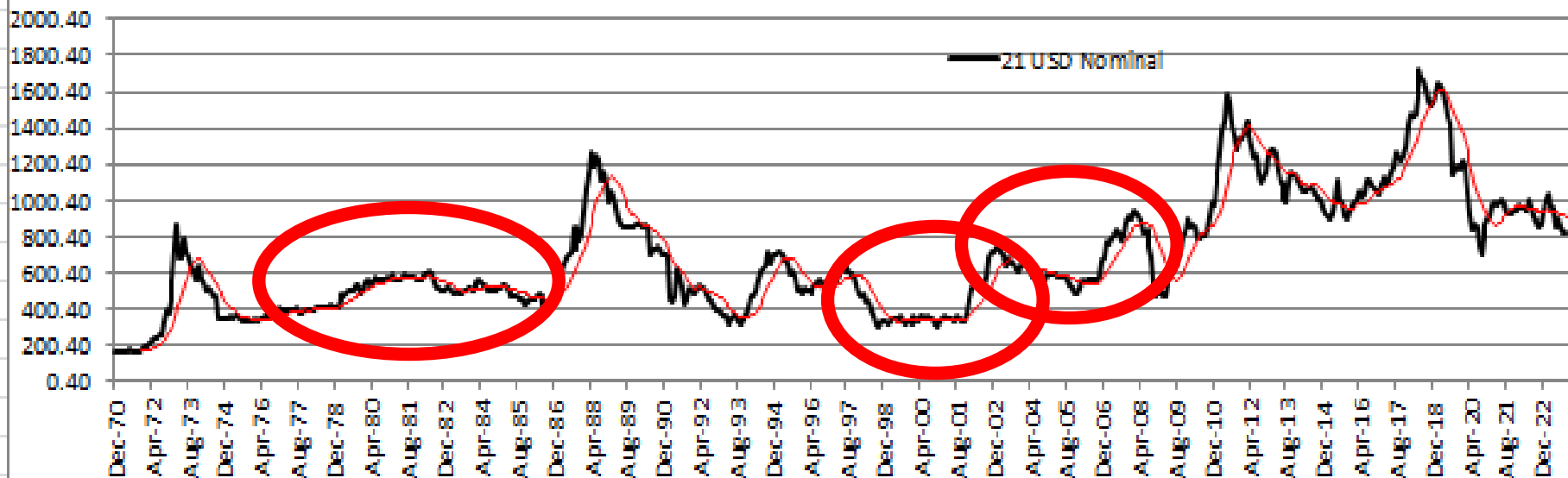
## Natural Gas Prices - Europe (US\$ basis)



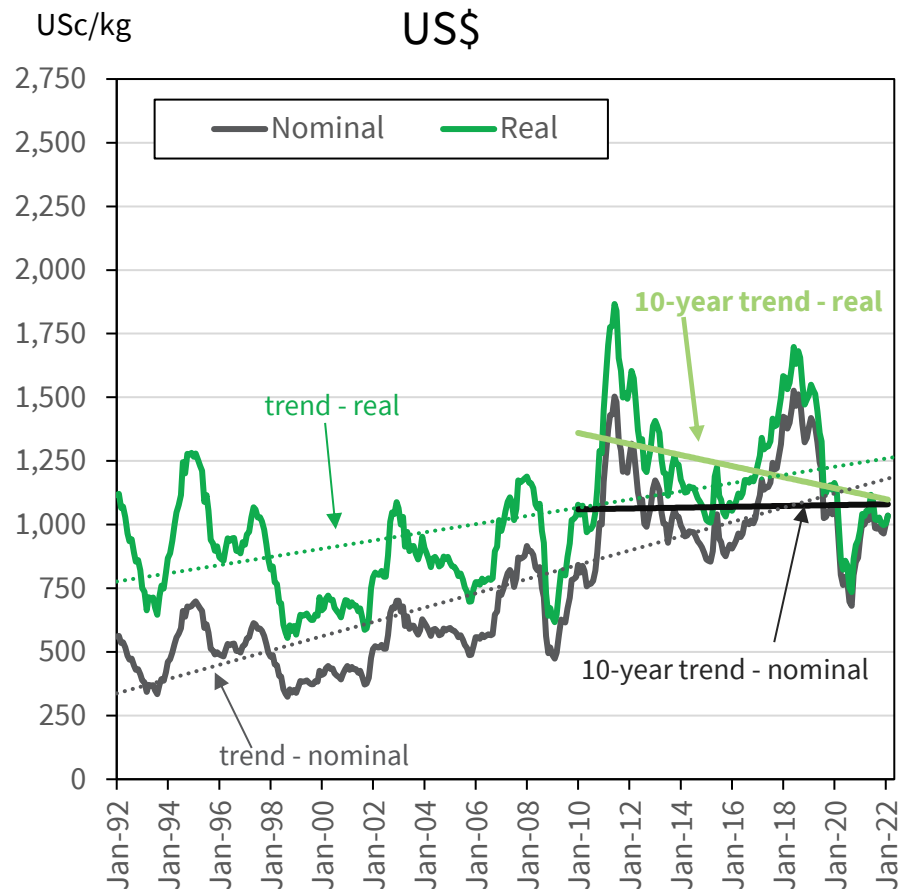
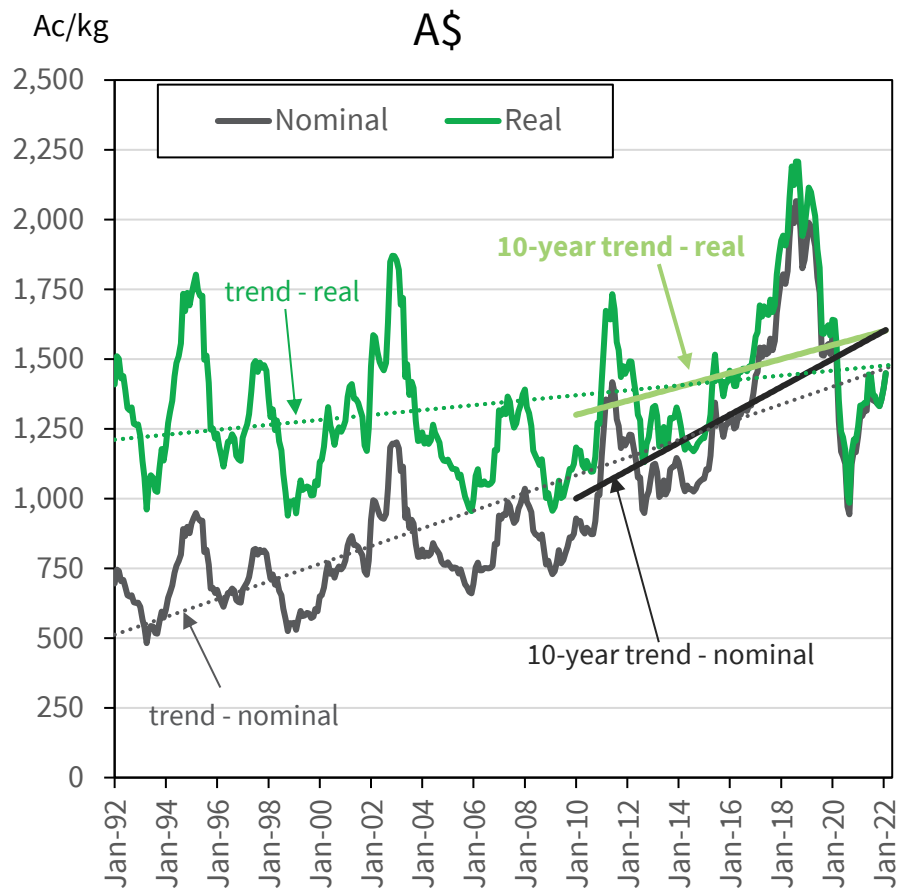
21 USD Nominal - 5 year lookback



## 21 USD Nominal



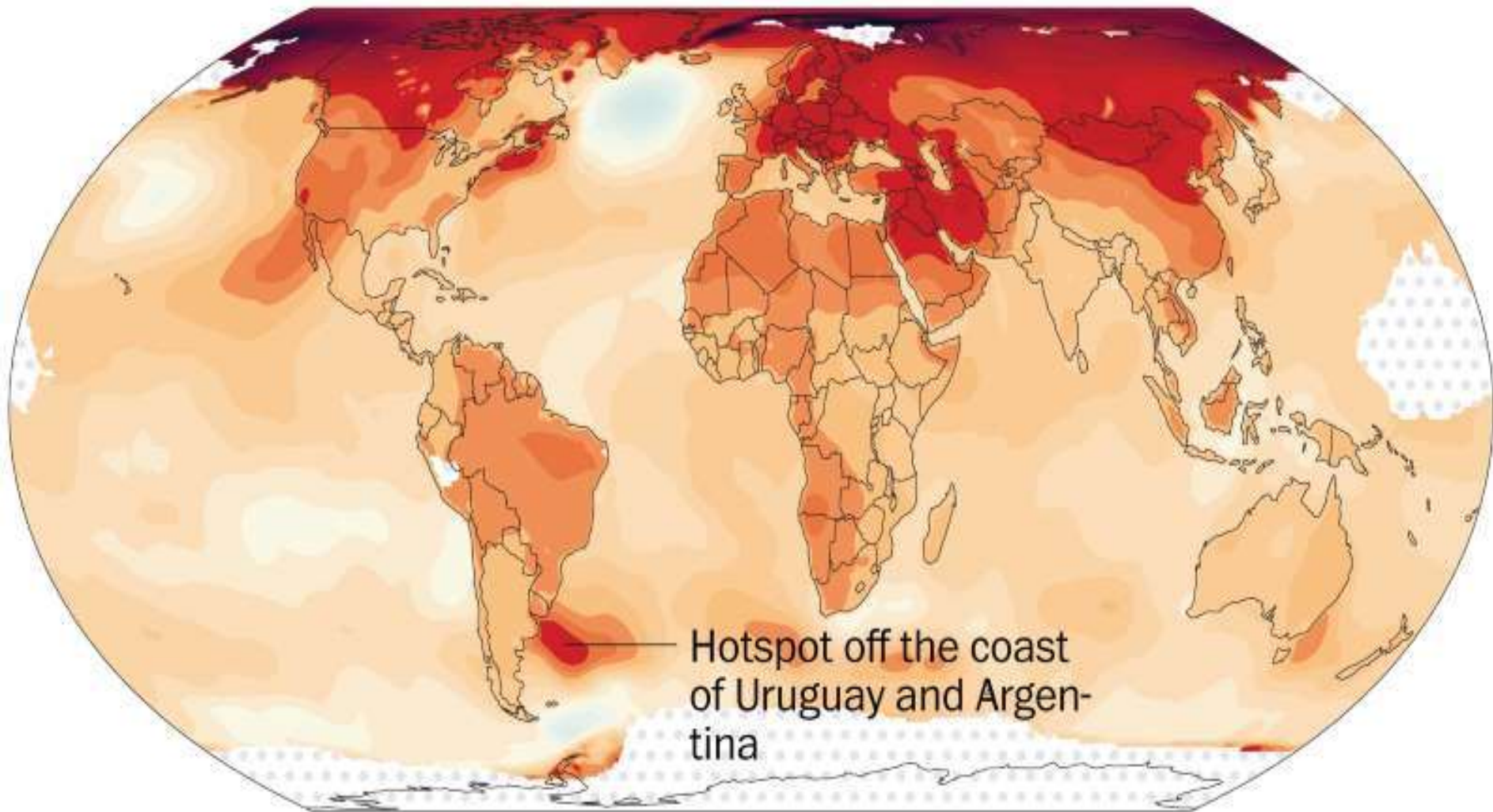
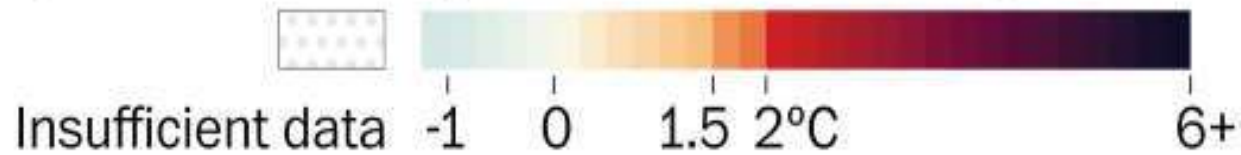
# Chart B: Australian Wool Prices – Nominal vs Real Eastern Market Indicator



Source: AWEX, Reserve Bank of Australia, International Monetary Fund  
 Real terms based on January 2022 using Australian CPI for A\$ and US  
 CPI for US\$  
 Data to January 2022



# Temperature change, 2014-2018 compared to 1880-1899



Source: Berkeley Earth

# What is happening in the market?

**SCIENCE CALLS**

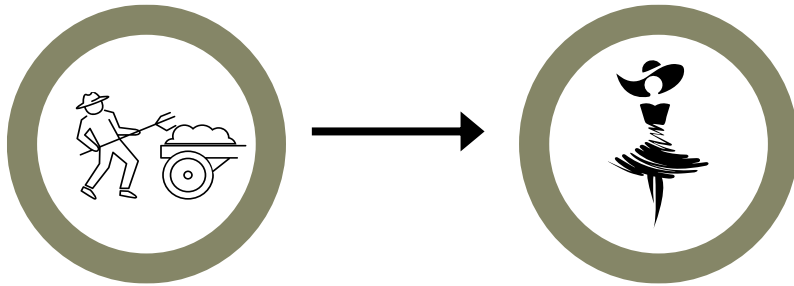
**MARKET RESPONDS**

**LEGISLATION  
EVOLVES**

**CONFUSION  
INCREASES**



## Strategic Intentional Farming



### FARM GROUPS:

- Certifications
- Regen Ag
- Organic
- Animal Wellbeing
- Social Wellbeing
- LCA's
- Traceability Systems
- Additional data needs

### BRANDS:

- EU Deforestation Regulation
- CSRD
- CSDDD
- Eco Design
- DPP
- SBTN
- Low impact materials

It is no longer an individual strategy, now it's a supply chain strategy!



## ANNUAL CUMULATIVE NUMBER OF COMPANIES WITH APPROVED TARGETS AND COMMITMENTS, 2015-2023



# Legislation Evolves

European Green Deal



Circular Economy Action Plan



EU Strategy For Sustainable & Circular Textiles



Deforestation  
Regulation

Carbon Border  
Adjustment  
Mechanism

Eco-Design for  
Sustainable  
Products

Corporate  
Sustainability  
Reporting Directive

Substantiating  
Green Claims

Ban on Destruction  
of Unsold Goods

Corporate  
Sustainability Due-  
Diligence Directive

Textile Labelling  
Regulation

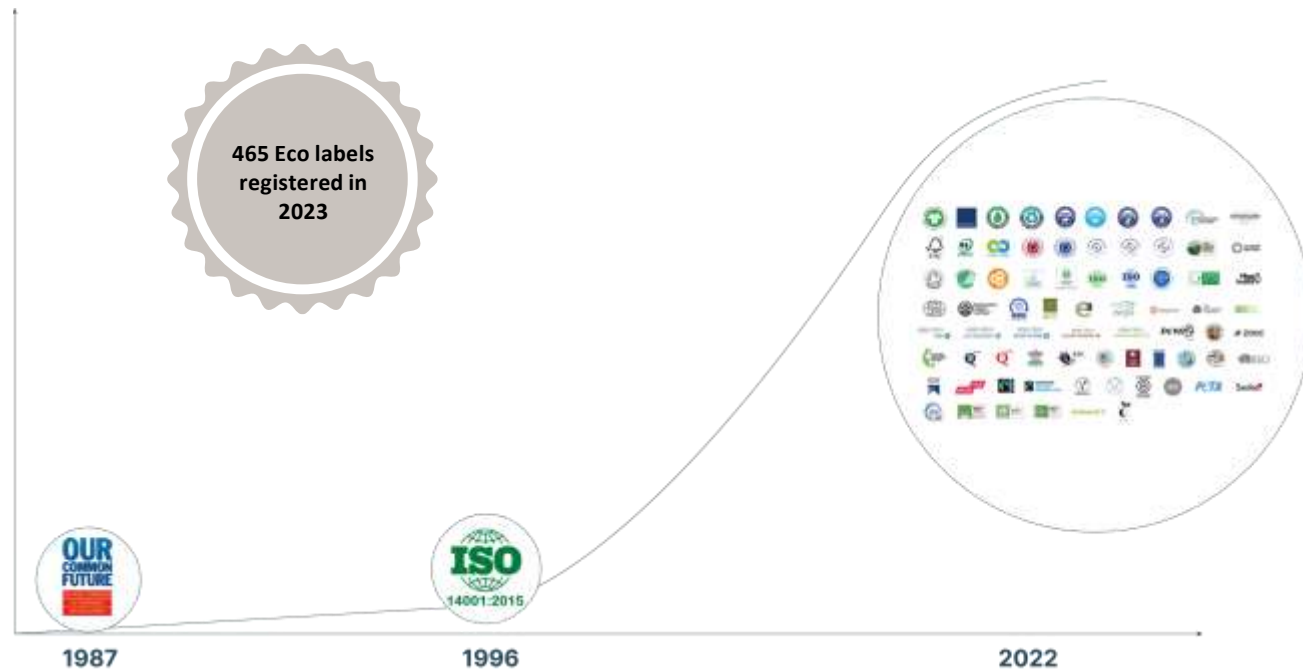
Waste Framework  
Directive

Empowering Consumers for  
The Green Transition



# Confusion Increases

*The need for harmonization and industry-led approaches is imperative.*





## Challenges & Opportunities

*We need to shift this narrative from conversation to innovation and action.*



- Navigating differing brand needs
- Full supply chain collaboration
- Time pressures - legislation
- Additional costs \$\$



- Harmonization - across sectors and industries
- Intentional farming
- Collaborative funding \$
- Cross sector knowledge exchange
- Co-create strategies at landscape level
- Shared communication
- Scalable in other countries

We need to co-create scalable solutions.





- DSS
- Economic analysis
- Wol technical
- Genetic improvement

# Standards?

**SustainaWool**™  
INTEGRITY SCHEME

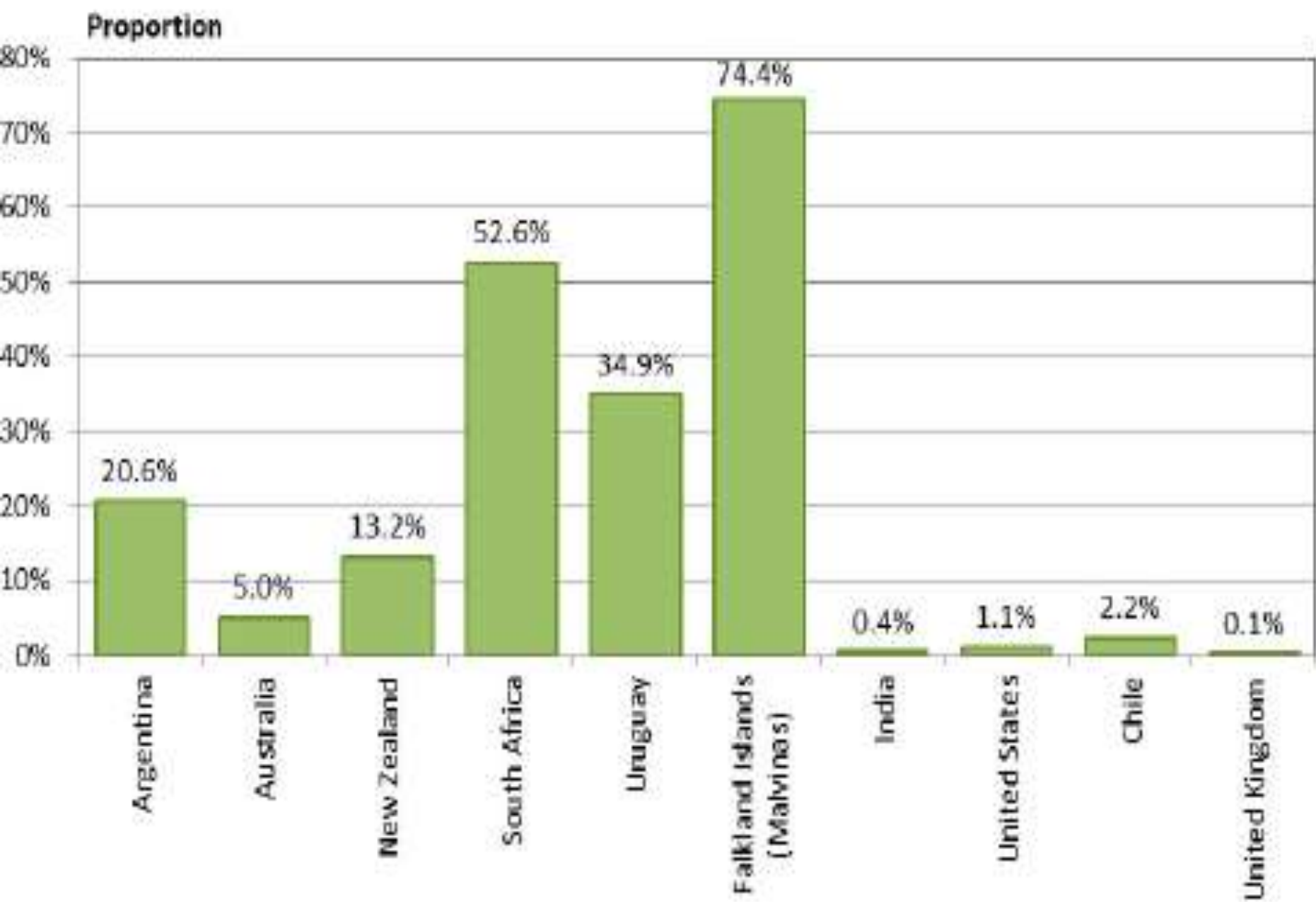
  
**NATIVA**  
PRECIOUS FIBER



**ZQ**™  
NATURAL FIBRE



Wool Clips Proportion Of Wool Clips (2022)









## GLOBAL ECONOMY

01.

### Trade Reconfigured

Global trade is shifting as major economies diversify and source from countries where they have more political alignment. This will accelerate in the fashion industry in 2025 due to rising costs, evolving trade policies and sustainability targets. As a result, fashion brands are likely to double down on diversifying their sourcing footprint in Asia and lay the foundations for nearshoring.



There has been a 5x increase in the number of trade barriers introduced since 2015, with ~3,000 restrictions imposed in 2023

02.

### Asia's New Growth Engines

China's economic deceleration, changing consumer preferences and the return of international travel are making growth in the country highly challenging, leading international fashion brands to look to other Asian markets. India will be a focus, particularly for high-street players, while Japan's luxury boom is expected to continue into 2025, fuelled by strong international and domestic spend.



63% of fashion executives believe APAC mature countries have promising growth prospects in 2025

## CONSUMER SHIFTS

03.

### Discovery Reinvented

Fashion shoppers are overwhelmed with choice, which negatively impacts their engagement and conversion rates with brands. However, a new era of brand and product discovery is on the horizon, underpinned by AI-powered curation across content and search.



50% of fashion executives see consumer product discovery as the key use case for generative AI in 2025

04.

### Silver Spenders

Fashion brands have typically focused on youth, but in 2025 they may struggle to grow sales from younger shoppers alone. The "Silver Generation" aged over 50 represents a growing population with a high share of global spend. Brands that engage these previously overlooked shoppers while creating inter-generational appeal will unlock incremental growth.



72% of total US population wealth is accounted for by those aged over 55

05.

### Value Shift

Macroeconomic pressures and rising prices have driven fashion shoppers to adopt cost-conscious behaviours. This is expected to persist, even as some economies begin showing signs of recovery. This dynamic is fuelling growth in segments with strong value-for-money perception, such as resale, off-price and dupes, among others. To capture customers' share of wallet, brands will need to prove their value.



70% of consumers plan to continue shopping from outlets or off-price retailers in the next 12 months, even if they have more money to spend

## FASHION SYSTEM

06.

### The Human Side of Sales

Differentiating the in-store experience is key to reigniting demand for in-person shopping. Brands can achieve that by empowering their store associates to reach their full potential, as sales staff have a central and valuable role to play in connecting with customers. The benefits will be sizeable, since customer and employee experience are inextricably linked.



75% of shoppers are likely to spend more after receiving high-quality service from store staff

07.

### Marketplaces Disrupted

Following a tumultuous period for luxury e-commerce platforms, online non-luxury marketplaces are facing challenges of their own. Share prices have dropped as much as 98 percent since Covid-19 peaks due to existential business model challenges and disruptions. Non-luxury marketplaces globally must carve out a clear role in the fashion ecosystem to survive.



The share price of online fashion marketplaces declined 77% on average between January 2021 and September 2024

08.

### Sportswear Showdown

Challenger brands are forecast to generate over half of the sportswear segment's economic profit in 2024, up from 20 percent in 2020. This means the battle between challengers and incumbents in the growing sportswear market will likely intensify. To gain market share, brands will need to develop innovative products and use the right ambassadors and channels to activate unique brand stories.



Challenger sportswear brands are expected to generate 57% of the segment's economic profit in 2024

09.

### Inventory Excellence

Inventory remains a challenge for the industry with both excess stock and stocks-outs impacting brands. In 2025, margin pressures and sustainability regulation will place greater emphasis on end-to-end planning excellence, with brands increasingly adopting tech tools and adjusting their operating model to support agile supply chains.



An estimated 2.5 billion to 5 billion items of excess stock were produced by the fashion industry in 2023, worth between \$70 billion and \$140 billion in sales

10.

### The Sustainability Collective

Fragmentation and complexity across the fashion value chain, coupled with consumer reluctance to pay for sustainable products, are inherent barriers to reaching sustainability goals. But with decarbonisation efforts falling short of targets and the climate crisis accelerating, inaction is not an option. The fashion sector must act collectively to drive impact.



40% of power in Bangladesh will be fuelled by renewable energy by 2041 thanks to collective energy initiatives





Thank you



We are “borrowing” the Earth from our children, and their children, and their children...