

## Substantiating sustainability proof points will strengthen New Zealand strong wool's comeback story



*Rosstan Mazey is Chief Executive Officer for WoolWorks, operators of two of the world's largest wool processing facilities. He has extensive experience in the New Zealand wool sector and plays a key role in engaging with industry participants throughout the supply chain, from farm right through to market. He is Chair of the National Council of New Zealand Wool Interests and sits on the International Wool Textile Organisation Executive Committee. These involvements build on a previous career with Wools of New Zealand, T&G, Zespri, Dairy Crest and Goodman Fielder.*

**Global changes to the way textile sustainability is measured and proved is poised to further support the resurgence of the New Zealand wool sector after it has experienced a challenging few decades.**

Despite the remarkable sustainability attributes of New Zealand wool, the sector has been hobbled by the way the life cycles of textiles are measured. That's set to change.

Legacy methodologies for analysing product life cycles were initially designed for oil and polymer-based synthetic textiles. They were not intended for wool. The goalposts were set too narrow to capture the inherent sustainability attributes in the way wool is grown, reused and ultimately reintegrated to the environment compared to oil-based fabrics and textiles.

New Zealand has been helping drive changes in the life cycle assessment (LCA) methodology for wool through our membership of the International Wool Textile Organisation (IWTO) – the global authority for standards in the wool textile industry. The IWTO's new biogenic carbon LCA methodology has recently come through rigorous scientific and industry peer review. Now the IWTO is conducting on-farm case studies across key wool growing countries, including regions around New Zealand, to validate the methodology, which takes a full farm system approach for the growing of the fibre.

By comparison, the previous methodologies took a very narrow and limited approach to recognising on-farm carbon sequestration. The new methodology demonstrates that there is a far smaller carbon footprint per kilogram of wool than previously recognised. This opens a pathway for the industry as a whole to more accurately represent wool as a sustainable and lower-carbon-intensive fibre, which in turn will support increased differentiation and value in the market. Importantly, this will align with the evolving carbon metric requirements that are being led out of the EU, with environmental product declarations and a carbon footprint number becoming mandatory for products utilised in the building sector. This includes the majority of product applications for New Zealand strong wool – carpets, carpet tiles, upholstery, acoustic panels and insulation.

These pending changes also reinforce the importance of the New Zealand Farm Assurance Programme (NZFAP) and its application to wool.

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NZFAP has already proved its worth for meat producers. Now it's presenting opportunities for wool as a meaningful proof point, particularly in regard to traceability. The ability to connect the processed and clean wool deliveries to the originating farms is becoming more interesting to and valued by manufacturers and brands globally, particularly those in the EU, the UK and the USA.

### Joining forces to move the needle

Making up less than 1% of all global fibre, the wool sector hasn't had the scale on its own to move the market.

One solution to increase market impact is recognising that wool has much in common with other natural fibres such as cotton, hemp and jute. Wool is leading significant collaborative initiatives to strengthen the collective natural fibre voice to improve fact-based positioning relative to synthetic and biosynthetic materials.

### Market movements

China is currently the largest market for New Zealand wool, taking around 35% by volume.

In the future, it's possible that some of this volume may pivot to Southeast Asia, where Vietnam and Bangladesh have existing strengths in fine wool manufacturing and as some carpet and rug manufacturers potentially shift out of China in pursuit of lower-cost manufacturing environments.

Taking 30% of our wool clip – and growing – India is our second-largest market. Prime Minister Modi has been open about his aspirations for an increasingly larger textile manufacturing sector, and New Zealand is well positioned to play an increasingly significant role with our high-quality clean scoured wool, also powered by the recent free trade agreement.

European markets take over 20% of our wool volume, with a particular concentration in Lithuania where a large number of spinning and carpet manufacturers have clustered.

## Manufacturing comeback

Excitingly, New Zealand is currently seeing a resurgence of downstream manufacturing – for example, in new products for commercial buildings such as wool insulation batts. There is real demand following other successful recent innovations. An example is 100% wool acoustic panels that benefit from wool's natural attributes – sound absorption, temperature and humidity modulation and providing a great natural substrate for colourways, texture and design.

To enable current and ongoing product innovation, development and manufacturing, wool scouring capacity in New Zealand needs to remain a keystone piece of infrastructure. Essentially the 'cleaning the wool' enables the fibre to be manufactured into an evolving range of valued products. Without this processing capability residing in New Zealand, it would be very challenging to viably sustain a myriad of manufacturers, including the large carpet companies Bremworth and Godfrey Hirst.

New Zealand is renowned for being a safe place for growing animals and food products with a perception of natural production systems. The New Zealand provenance story will continue to serve the country well – but it is not enough.

As a sector with substantiation, we need to continue to build out and strengthen proof points like the NZFAP and the IWTO biogenic carbon LCA to support the positives related to the world-leading farming systems from which we grow our wool. Globally, we are getting ourselves better organised as a sector, and through this collective effort, farmers are set to receive more value for the fibre that they are growing. This builds on the recent dramatic improvement in wool prices that has been supported by increased consumer recognition of wool product benefits and ongoing tension in the supply and demand dynamic for quality New Zealand wool.

Our fibre grown in New Zealand is unique. The attributes and benefits that it brings to products and consumers globally are compelling, and we now have improved ways of representing its credentials to the world.

It's an exciting outlook for New Zealand wool.

