WARWICK

Sustainability Report



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Sustainability Statement

As a socially responsible global company, we understand the importance of the preservation of our shared environments. At Warwick, we have implemented industry best practices to ensure we are leading the way for the textile industry. We aim to continue to lead the way in both product and service, while being conscious of our environmental and social impact.

Our current initiatives include APCO membership, a diverse eco-friendly product offering, key supplier partnerships, textile recycling, online Virtual Reality tool, furniture donation systems, and general office responsibility.

We have a dedicated team responsible for monitoring and reducing our environmental impact. An external audit was conducted to measure our annual carbon emissions for the FY22 period, so that we can make clear and effective decisions to reduce emissions, wherever possible. This has helped ensure that we address the emissions that our operations are directly responsible for, and also make considerations for those emissions up-stream and down-stream of our business.

We are committed to transforming our business model to reduce our carbon footprint so that together, we tread more lightly on our planet.



Operations

Our head office and warehouse have been carefully reviewed to ensure we are operating with sustainability at the forefront of our processes.

- We are switching from paper towel to energy efficient hand dryers in Head Office. The installation of five high speed hand dryers will save over three tonnes of CO² emissions per year.*
- LED lights have been installed throughout our Head Office and Warehouse, along with a new policy that any new buildings acquired must have LED lights installed. LED lighting will provide up to 75% in energy savings.
- Recycling practices are made easy for staff with clear signage, including battery and toner cartridge recycling points.
- If printing is required, we only use recycled paper or 100% carbon neutral certified paper.
- Overnight electricity is only used for essential servers and security purposes.

Travel is an essential part of our business to build and maintain relationships with suppliers, research new trends and technologies overseas, and connect with staff.

We have implemented a policy that all staff flights should include carbon offsetting as part of their booking. This is for both domestic and international travel, so that our travel has as little impact as possible. We have also shifted our focus from in-person meetings to virtual meetings, reducing the need for management to travel as frequently throughout the year.

Our local sales representatives have also been educated on eco driving practices to reduce unnecessary carbon emissions.

*According to Intelligence Hand Dryers



A Paperless Future

Paper conservation has always been front of mind for our business practices, to help reduce the impact on our local environment. All office, showroom and warehouse printers utilise 100% recycled or certified carbon neutral paper.

Printed marketing material is still considered essential in our industry to assist retail stores to not only promote product but to educate consumers on technical product information. We ensure that only the minimum amount of material is printed.

Our accounts department has a plan in place to shift to a completely paperless practice by 2028. In 2022, we introduced digital account application forms via a Docusign system, meaning new customers no longer need to print and post physical account forms.

We have also shifted our accounts payable systems to utilize digital invoices and statements, rather than printing physical copies for payment. All invoices from accounts receivable are currently emailed to customers wherever possible, removing the need for posted invoices.



Packaging

Warwick Fabrics is signatory to the Australian Packaging Covenant Organisation, working towards the below 2025 National Packaging Targets:

- 100% reusable, recyclable or compostable packaging.
- 70% of plastic packaging being recycled or composted.
- 50% of average recycled content included in packaging.
- The phase out of problematic single-use plastics packaging.

The membership with APCO encourages improved packaging standards, which we are working on in collaboration with our suppliers.

Wherever possible, we reuse the packaging that a product arrives in from our supplier. This is why ordering bulk rolls is so efficient as our warehouse doesn't have to repackage the fabric – they just attach a delivery label and away it goes.

When a cut length is ordered, our warehouse reroll the small length onto a 100% recycled cardboard roll. Our cardboard rolls are purchased from an Australian supplier, they are Australian made from 100% recycled materials and are 100% reusable and recyclable.

A large challenge for our packaging is that fabric must be wrapped in durable plastic to withstand transport conditions – we must choose the strongest option to ensure our customers' fabric is protected. Unfortunately recycled and biodegradable options are not durable enough to withstand the freight and weight of our goods. However, soft plastic can be recycled.

We are working in collaboration with our suppliers to reduce unnecessary packaging before it leaves the mill.



Freight

The largest contributing factor to our carbon emissions is freight, both import and domestic.

Air freight produces up to 47 times more carbon emissions than sea freight*, so our shipping policy has always been to send the majority of our freight via sea. Air freight is reserved only for urgent stock requirements and through careful stock planning.

Indent fabrics that we previously airfreighted by default are now sent via sea, unless required otherwise.

For domestic freight, we consolidate large orders and choose the most efficient packaging solutions to reduce the amount of deliveries and packaging required, wherever possible.

*Source: 8 Billion Trees



Product

Our current product offering includes a variety of textures which each address different environmental concerns. There is no 'one size fits all' approach for sustainable textiles, and so it is most important to purchase quality fabric that will withstand the tests of everyday life.

- Encore recycled fabrics contain a minimum of 50% recycled fibres and through their construction they divert waste that would have otherwise gone to landfill - from plastic bottles to woolen jumpers. Technology in the recycled-textile space is ever-changing and improving – we are excited to introduce new recycled drapery and upholstery ranges in 2024. Read more about our Encore range here.
- Natural fibre products such as wool and linen are the most sustainable fibres with the lowest environmental impact.
- Oeko-Tex is the internationally standardised criteria directory for testing harmful substances issued by the International Association for Research and Testing in the Field of Textile Ecology (Oeko-Tex). Our fabrics featuring the 'Confidence in Textiles' label have been tested for harmful substances and are found to comply with all required criteria without exception. View our Oeko-Tex certified ranges here.



Sampling | Virtual Reality

Development in virtual reality is changing the way we showcase our fabrics.

With the ability to digitally render images with our fabric on furniture, we have been able to showcase hundreds of fabrics in real-life settings, without the need to have furniture upholstered or drapes manufactured, avoiding waste typically involved in photoshoots.

By visualising fabrics digitally, consumers are able to narrow down their fabric selections prior to ordering sampling, which reduces the number of fabric cuttings we need to distribute.

All new sample hangers are now printed with a QR code, linking you directly to visualise the fabric from the sample, on your mobile device.

Learn more about our VR experience <u>here</u>.



Textile Recycling

TRAKS

Warwick Fabrics is proud to partner with TRAKS Textiles and their Rug Recycling Program with the aim to keep rugs out of landfill. Visit trakstextiles.com for more information on how to dispose of your existing rug or textiles in an environmentally responsible way.

Upparel

We currently send our fabric seconds stock to Upparel for sorting, reuse and recycling. Any lengths of fabric that are deemed reusable are offered to charity organisations. Any lengths that are unusable are recycled by shredding the fabric into cotton-like fibre material, which can be used in pillows, insulation and furniture. Our partnership with Upparel saves thousands of tonnes of textile waste that would have otherwise would have been sent to landfill.

In July 2022 - June 2023, we diverted 14,870 kg of textiles from landfill, preventing 52,045 kg in greenhouse gases.



14,870kg

TEXTILES DIVERTED FROM LANDFILL



52,045kg

GREENHOUSE GASES
PREVENTED



Social Responsibility

As a socially responsible global company, we understand the importance of aligning with a trusted supply chain that mirrors our morals and ethics. At Warwick, we have implemented industry best practice to ensure we are leading the way for the textile and homewares industry.

- With over 55 years' experience within the textiles sector, we purchase from trusted long term supply chains.
- Our preferred supplier agreement highlights our commitment to third party audited management systems, including ISO9001 and Oeko-Tex standards, suggesting that our suppliers work with these organisations to improve business processes and meet industry requirements and expectations.
- High risk counties, products or elements of the supply chain are managed through separate supplier agreements pursuing the prohibition of forced labour, child labour and indebted work, with a commitment to addressing and preventing modern slavery risks.
- Unlike the garment, footwear and cut and sew sectors, manufacturing textiles is largely produced by specialised machinery that is managed and overseen by skilled labour.
- Annually, a third-party audit is undertaken to ensure all relevant Health and Safety measures, conditions and awards are up-to-date and being adhered to for all Warwick Fabrics' Australia employees.

Warwick is also committed to the Care & Fair initiative. Care & Fair are an international organisation that aims to eliminate illegal child labour in rug weaving areas. Our contributions help to improve the living standards of families and communities in these regions. All of our rugs show the Care & Fair logo to indicate our commitment to this cause, and a percentage of our sales are contributed directly to the organisation.



Future Planning

At Warwick, we are committed to a constant review of our sustainability plan. As part of our management responsibilities, our processes will continue to be assessed annually, as a minimum standard. We recognise that we are just at the beginning of this journey, and that there is a long way to go. Outlined below are our key short-term goals:

Operations - implementation of a company wide purchasing policy by July 2023,

A Paperless Future - 5 year Accounts Department plan to be completely paperless. Reduced printing across marketing material.

Packaging - a new packaging plan to be submitted to APCO by May 2023, with continual annual reviews of all packaging through APCO.

Freight - Annual reviews of carbon offset options with freight providers (currently unavailable). Continue prioritising seafreight over airfreight.

Product - 2024 will see new collections of Encore recycled product, both in upholstery and drapery categories. We will continue to pursue this area as well as expanding our natural fibre offering.

Sampling | Virtual Reality - introduce VR instead of photoshoots for select new releases, effective February 2024.

Textile Recycling - we will continue our partnerships with Upparel and TRAKS.

Social Responsibility - we will actively pursue updating existing supplier agreements so that more suppliers are signatory to our modern slavery standards and packaging expectations. All new suppliers must sign on with the expectations met.