

SUSTAINABILITY REPORT 2025

AUSTRALIAN DESIGNED AND MADE











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OUR STORY

Even as a small local business, we pride ourselves on being leaders in sustainable fabrics for upholstery and interior design. This ethos has been at the core of our business for the last 20 years and we continue to evolve our products and practices to meet the highest standards available to us.

In 2004, we completely overhauled our supply chain to ensure all our fabrics were environmentally certified, and officially changed our name from 'Living Fabrics' to 'Sustainable Living Fabrics.' Since then, we have continued to recertify and evolve our practices as the industries understanding of true sustainability grows. When specifying any of our fabrics, you can trust that they are all set to the same high environmental standards.

OUR MISSION

We are passionate about supporting and supplying our fabrics to projects that redefine boundaries within the interior design industry. Our focus is true sustainability throughout our entire supply chain. The way of design is changing, the industry is prioritising sustainability on all levels and we are proud to be part of that change.

Our incredible team is trained to advise architects, interior designers, and other collaborators about the benefits of sustainable design. Our key values are to provide an aesthetically beautiful, locally made and durable product that has long term cost effectiveness and has minimal impact on the environment.

OUR 2025 SUSTAINABILITY REPORT

In the following report, we present a comprehensive overview of our sustainability practices. We outline exactly what it is, from farm to fabric, which makes us sustainable. We also present our 2024 progress and how we plan to improve our practices further in 2025 and beyond.



SOURCING

Our sustainability journey starts at the sourcing stage. We carefully select our suppliers to ensure they comply with the highest environmental standards available for heavy duty commercial fabric production. Sustainability extends beyond a product's end-of-life considerations; it encompasses far more than the methods used to create fabric, manufacture yarns, process wool, or care for the sheep on the farm.

YARN SOURCING

We source three types of yarn for our fabrics: wool, polyester and wool nylon blend. It is essential to our ethos that the yarn is only sourced from suppliers that adhere to our environmental standards. For almost two decades we have only worked with suppliers that partake in our auditing process to ensure that the standard continues to be met year after year.

THE STANDARD

Our standard is in alignment with our Good Environmental Choice Australia (GECA) certification which you can read more about <u>here</u>. As per this certification, all wool and wool-nylon blend yarn sourced must adhere to the EU Ecolabel standard for textiles. The polyester is OEKO-TEX® and GECA certified.

EU ECOLABEL

Established in 1992 and recognised across Europe and worldwide, the EU Ecolabel is a label of environmental excellence that is awarded to products and services meeting high environmental standards throughout their life cycle: from raw material extraction, to production, distribution and disposal.

Our yarns compliance with this standard means our sourcing process is environmentally preferable and can pass that guarantee onto our clients.

Click here to read more about the EU eco label.



SOURCING SUSTAINABLE WOOL

Sustainable Living Fabrics uses only Australian wool in our 100% wool ranges and our wool-rich blends. This yarn is a rapidly renewable resource that has been independently tested and audited at all stages of production to comply with EU Ecolabel criteria.

AUSTRALIAN STANDARDS

Australia maintains world-class animal health and welfare standards, as well as having strict regional and national bio-security programs to prevent the outbreak and spread of infectious diseases. There are many rigorous restrictions regarding certain herbicides and pesticides that can be used around Australian livestock, ensuring the quality of the wool and the safety of the sheep producing the wool.

BIODEGRADABILITY

Wool is widely regarded as one of the most sustainable fibers, which is why it constitutes the majority of our collection. Each year, sheep naturally grow a new fleece, making wool a renewable and rapidly regenerating resource. Composed of the natural protein Keratin, wool is biodegradable, endowed with resilience and elasticity. Its organic composition enables it to decompose and enrich the soil, fostering the growth of new life.

HEALTH

Wool absorbs harmful pollutants from the air and it doesn't re-emit them. It is estimated that wool used in interiors can help purify the air for 30 years.

RECYCLED WOOL

Recycled Wool is wool that has been gathered from textile waste. Old garments, blankets and upholstery fabrics are broken down, and respun into yarn. At this point in time, Recycled Wool used for upholstery fabrics lack the tensile strength needed to achieve a Heavy Duty Commercial rating. Recycled Wool yarn requires a 30% recycled wool to 70% Virgin wool ratio to be suitable for an upholstery application.

Our research indicates that the carbon footprint is excessively large due to the complex, multi-national process involved. The material is transported offshore for deconstruction in one country, then respun into yarn in another, before being sent back to Australia for weaving and dyeing. Additionally, it can only be re-dyed if bleached, which involves harmful chemicals, and its recycling potential is limited to just one cycle. Furthermore, the lack of transparency regarding its origins means it lacks traceability.

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ETHICAL FARMING PRACTICES

All the wool yarn that we purchase is sourced from suppliers that are third party audited to the international recognised Responsible Wool Standard (RWS) under the EU Ecolabel. For more information on RWS click <u>here.</u>

Key principles of the RWS

1. Protecting Animal Welfare

'The Five Freedoms' are protected, referencing standards and best wool farming practices around the world.

- A. Freedom from hunger and thirst
- B. Freedom from discomfort
- C. Freedom from pain, injury and disease
- D. Freedom to express normal behaviours
- E. Freedom fear and distress.

2. Preserving Land Health

Progressive methods of land management are practiced on RWS farms, protecting soil health, biodiversity and native species.

3. Protecting Social Welfare

Social welfare, working conditions, and health and safety of workers is addressed.

4. Chain of Custody

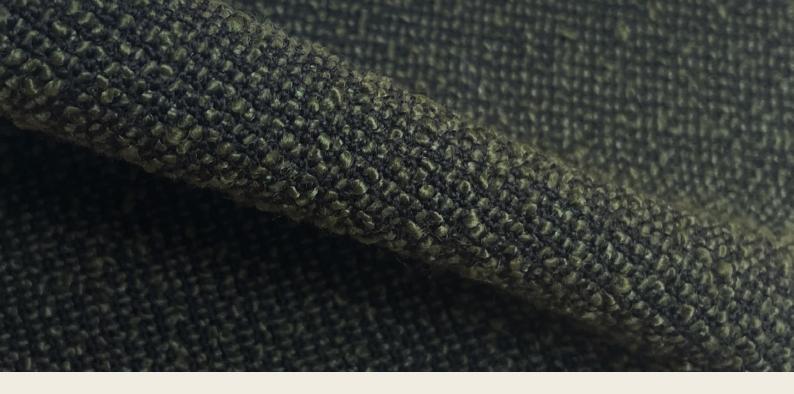
Certification ensures that the identity of the RWS wool is maintained at all times: from the farm to the final product.

5. Credible Certification

A professional, third party certification body audits each stage in the supply chain. Only products with 100% certified wool may carry the RWS logo.

6. Stakeholder Engagement

The RWS was developed with the input of farmers, animal welfare experts, land conservation experts, brands and retailers from all parts of the globe.



SOURCING POLYESTER AND NYLON

It is vital for us to prioritise complete transparency. It is no secret that natural fibres are far more sustainable than synthetics. However, creating quality fabrics that stand the test of time on a commercial scale while ensuring they also meet our high environmental standard is often a balancing act.

It is our aim to provide the most environmentally preferable option whilst still ensuring our fabrics are fit for purpose. We use synthetics in our range to provide options for our clients with varying budgets.

POLYESTER AND WOOL-NYLON STANDARDS

Both our polyester and wool-nylon yarns are certified carbon neutral as well as GECA certified with full content traceability. This GECA standard means our fabrics and dyes must be harmless to marine environments and aquatic life.

We utilise nylon sparingly, incorporating it solely into select wool yarns to enhance their strength and durability, ensuring they meet a Heavy Duty Commercial grade standard. The wool-nylon we use is EU Ecolabel certified under our wool-nylon certification.

Another way we guarantee best practice for our polyester is the STANDARD 100 by OEKO-TEX®. It is one of the world's best-known labels for textiles tested for harmful substances. Carrying this label means that our polyester has been tested and certified harmless for human health. The criteria catalog is updated at least once a year and expanded with new scientific knowledge or statutory requirements.

Click here to read more about STANDARD 100 by OEKO-TEX®



SOURCING POLYESTER AND NYLON

RECYCLED POLYESTER

We are frequently asked whether we offer products made from recycled polyester, and our response is that we do not. While the notion of recycled polyester yarn seems appealing, the reality is that the process of converting PET into yarn can have a significantly greater environmental impact. Recycled polyester not only releases microplastics into the environment, but the origin and history of the plastic used remain largely unknown. In fact, reports suggest that the demand for recycled polyester is so high that bottles are often shipped directly from manufacturers to recycling plants, bypassing potential reductions in landfill waste.

Moreover, the processes used to transform one product into another are largely unregulated. The origins of the materials and the methods used to produce them are often untraceable. Typically, mechanical or chemical processes are employed to create "recycled" yarns. The mechanical method, the most common, results in fibers with diminished tensile strength, requiring the addition of virgin fibers to maintain usability. Additionally, the recycled yarns are subjected to chlorine-based bleaching to achieve a white base, and they absorb dyes inconsistently, making it difficult to ensure colour matching across different production batches.

Instead, we have chosen to use virgin polyester, sourced from a single traceable origin. This ensures full transparency regarding where our polyester comes from, how it is produced, and the environmental implications of its production.

GECA EMISSION STANDARDS FOR SYNTHETIC FIBRES

Criterion 44: Polyamide (Nylon)

The emissions to air of N20 during monomer production, expressed as an annual average, shall not exceed 10g/kg polyamide 6 fibre produced and 50g/kg polyamide 6,6 produced.

Criterion 45: Polyester

- i. the amount of antimony in the polyester fibres shall not exceed 260 ppm.
- ii. the emissions of VOCs during polymerisation and fibre production of polyester measured at the process steps where they occur, including fugitive emissions, expressed as an annual average, shall not exceed 1.2g/kg of produced polyester resin.



FABRIC TESTING

Quality and emissions testing our fabric is a key element of ensuring a sustainable product. Our fabrics undergo rigorous testing to ensure they are fit for purpose and safe. All our testing is done in Australia with complete traceability and third party certification.

Our focus is impact minimisation, with any commercial grade production there are always unavoidable emissions. Transparency on what is used in our fabrics and the effect on the environment is crucial for our team to continuously find new ways to reduce our environmental footprint.

IAQ AND LOW VOC TESTING

Indoor Air Quality (IAQ) is a critical environmental factor, encompassing the air quality within and surrounding buildings, with particular emphasis on its impact on the health and well-being of occupants.

Volatile Organic Compounds (VOCs) represent a major source of indoor air pollution. The quantification of Total Volatile Organic Compounds (TVOC) is commonly employed as a metric for evaluating IAQ, serving as an effective indicator of fluctuations in the overall quality of indoor air.

FIRE TESTING

All our fabrics are independently tested to the standards prescribed by the <u>National Construction Code (NCC)</u> for the fire performance of interior textiles. AS/NZS 1530.3.

Wool is naturally non-flammable, and for the safety of our customers, we do not apply any fire retardant chemicals to our products. Increasing research suggests that many flame retardants can pose significant risks to human health.



LOW VOC FABRIC

Our strict farm to fabric chain of custody ensures there are no harmful emissions from our fabrics. We commissioned Consulting Enterprises in Technology (CETEC) to test the fabrics in our collection using the methods and principles for VOC emissions outlined in the Green Star Office Design Technical Manual (IEQ-13 Indoor Air Pollutants).

OUR RESULTS

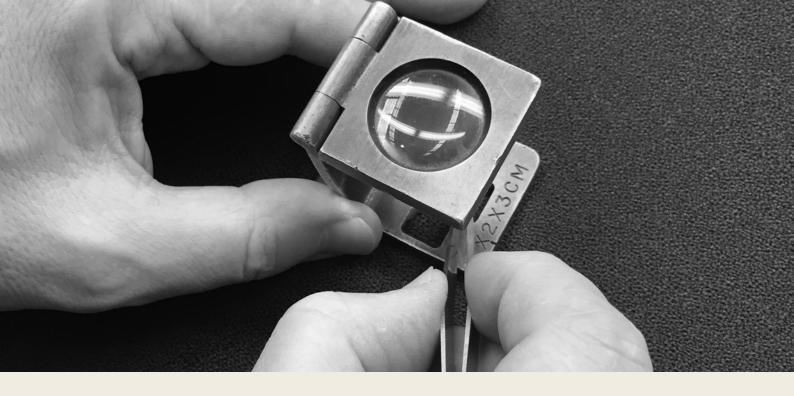
The average emission rate of TVOC at 30 days for all fabrics tested was less than 0.005mg/m2/hr and well below the Green Star requirement of 0.5mg/m2/hr. In addition the test report for our fabric notes "the chemical compounds detected in the very low emissions from the products were not recognised chemicals of concern and would not pose a health issue to humans."

Our wool fabrics also improve IAQ by absorbing and neutralising some VOCs including formaldehydes on an ongoing basis. Recent research has found that wool can absorb formaldehyde in such enormous quantities to help reduce the impact of sick building syndrome.

Like indoor plants, our wool fabrics enhance the aesthetics of the indoor environment but have the added advantage of no ongoing maintenance costs. Wool textiles ensure that many VOCs are absorbed and contribute to improved IAQ. Our fabrics can also contribute to the <u>WELL certification</u>, a leading tool for advancing health and well-being in buildings globally.

ETAD HEAVY METAL CONTENT COMPLIANCE

The Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturers (ETAD) is the only independent international association for colourant-producing companies. The ETAD confirms that the dyestuffs and pigment preparations supplied to Sustainable Living Fabrics does not exceed the ETAD recommended limit values for heavy metal impurities in organic dyestuffs and pigment preparations.



QUALITY TESTING

EMBODIED ENERGY

Embodied energy refers to the total amount of energy consumed throughout the entire lifecycle of a product. It is crucial to consider sustainability through this perspective. For instance, a product that lasts three years and is subsequently recycled, despite being labeled sustainable, ultimately consumes more energy than a product engineered to endure for at least twelve years. While recycling options are available, our primary focus remains on designing products for durability and long-term use.

12 YEAR WARRANTY

Our entire range comes with a 12 year warranty, this is our assurance of that quality. Along with our environmental credentials, it is important for us to guarantee durability as to provide our clients with the peace of mind that their selection will last throughout the years.

IN-HOUSE QUALITY CHECKS

Our fabrics undergo rigorous quality assurance and batch consistency checks at multiple stages. After being inspected by both our mill and dye house, the fabric is then delivered to our warehouse, where it is thoroughly reviewed once again by our expert team, which boasts over 20 years of experience.

GECA AUDITED QUALITY CONTROL

GECA ensures the quality of the materials that we use, including our dyes, yarn and packaging. This encompasses 62 stringent criteria we must meet to be certified, see here for more information on GECA.



OUR CERTIFICATIONS

Conducting external audits of our supply chain, products, and organizational practices is essential to ensuring our accountability to customers. Engaging a third-party assessor across all facets of our operations not only motivates us to reduce emissions annually but also drives continuous improvement in our business practices.

Greenwashing has become a pervasive issue within the industry, particularly as sustainability gains increasing traction. The ability to display certified logos across our entire range of fabrics reinforces our commitment to transparency and a sustained focus on environmental responsibility.

Sustainability has been at the heart of our business for over two decades and will remain our foremost priority. Our enduring partnerships with Climate Active and GECA stand as a testament to this long-standing dedication.









GECA CERTIFICATION

In 2005, as we embarked on our journey to enhance sustainability, we sought a standard that was independent, transparent, globally recognised, objective, and non-profit. We selected GECA as it met all of these criteria, in addition to adhering to the EU Ecolabel global textile standard.

GECA's rigorous criteria span our entire supply chain, from sourcing and manufacturing to packaging. This includes our partner mill and dye house, ensuring that all dyes and chemicals comply with the EU Ecolabel standard.

Being Australian-made is a core value for us, as it allows us to maintain close connections with our supply chain and foster strong relationships with our suppliers. This collaboration ensures alignment on environmental priorities, enabling us to create a truly sustainable product line.

Our GECA certification not only solidifies these relationships but also provides us with the opportunity to continuously reassess and refine our practices as the field of sustainable design evolves.

Throughout this Sustainability Report, you will find references to specific GECA criteria related to our certification. In total, there are 62 criteria we must meet in order to maintain our certification.

click here to request a copy of the full standard Textiles & Leather (TLv3.0i-2014)



CARBON NEUTRAL CERTIFICATION

In 2010, we proudly became the first company, along with our entire product range, to achieve certification as carbon neutral under the Australian Government's Carbon Neutral Program, now recognised as Climate Active. Since then, we have consistently maintained our certification, ensuring that every product, from farm to fabric, is fully offset.

WHAT IS CLIMATE ACTIVE?

Climate Active is an ongoing partnership between the Australian Government and Australian businesses to drive voluntary climate action. The brand represents Australia's collective effort to measure, reduce, and offset carbon emissions to lessen our negative impact on the environment. It is through Climate Active that we achieve our carbon neutral status.





PRODUCT CERTIFICATION

This certification encompasses our supply chain and everything it takes to create our fabric. The system boundary of this analysis is from Cradle to Grave, please see the diagram to the right for the Life Cycle assessment.

ORGANISATIONAL CERTIFICATION

Our organisation certification assesses our in house practices, such as transport, electricity, printing, recycling etc. Being a small business, our emissions here are low yet we always look for more ways to reduce internal emissions.



LIFE CYCLE ASSESSMENT

UPSTREAM EMISSIONS

Wool & Fibre Production and Processing, Wool growing, Weaving, Dyeing, Finishing



RESPONSIBLE ENTITY

Fabric Cutting & Packaging Fabric cutting, Packaging, Sample swatch preparation



DOWNSTREAM EMISSIONS

Distribution to Customer Road freight



End of Life Recycling fabrics



WASTE MANAGEMENT PLAN

At Sustainable Living Fabrics, we prioritize environmental responsibility in every aspect of our business operations. Through the reuse and recycling of incoming materials, we not only reduce costs but also minimize waste and contribute to lowering landfill impact.

IN THE WAREHOUSE

- We optimise stock management by ordering strategically to minimise waste and prevent excess inventory.
- We reduce product waste by aligning roll lengths to specific project requirements.
- We implement strategies for revitalising old stock, we re-dye outdated materials into saleable colours.
- We prioritise using recycled boxes from incoming shipments whenever possible.
- We repurpose cardboard tubing from incoming goods or source it from local furniture manufacturers.
- We reuse plastic wrap from incoming rolls or use non-halogenated, recycled packaging when necessary.
- Deadstock or discontinued items are offered at discounted prices through Circular Sourcing.

IN THE OFFICE

- We repurpose fabric offcuts and end-of-roll materials for sampling and binder card swatches.
- We exclusively use local printers for marketing materials, binders, and chip boxes.
- We print in small batches to minimise waste and adapt easily to any changes in logos or details.
- All marketing materials are made from recyclable cardboard and paper.
- Any surplus marketing products are labeled for return to SLF for refurbishment and future use.
- All printer cartridges are recycled, and we are transitioning to Ecotank printers as older models are replaced.

IN THE KITCHEN

- We recycle all coffee pods.
- We sort and recycle all containers, bottles, and paper.
- We compost all food scraps.
- We provide a filtered water solution, eliminating the need for bottled water.

Through these sustainable practices, we strive to continually reduce our environmental footprint across all areas of our operations.



SUSTAINABLE DEVELOPMENT GOALS

Sustainable Living Fabrics' corporate strategy is driven by a proactive sustainability agenda that is more than just an environmental agenda. It is about social responsibility and it is legitimate, transparent and credible. We embrace independently audited and certified environmental credentials as key criteria for true sustainability. The Sustainable Development Goals are a universal call to action to end poverty, protect the planet, and ensure prosperity for all by 2030. The 17 SDGs are:

- 1. No Poverty: End poverty in all its forms everywhere.
- 2. Zero Hunger: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.
- 3. Good Health and Well-being: Ensure healthy lives and promote well-being for all at all ages.
- 4. Quality Education: Promote inclusive, equitable quality education and lifelong learning for all
- 5. Gender Equality: Achieve gender equality and empower all women and girls.
- 6. Clean Water and Sanitation: Ensure availability and sustainable management of water and sanitation for all.
- 7. Affordable and Clean Energy: Ensure access to affordable, reliable, sustainable, and modern energy for all.
- 8. **Decent Work and Economic Growth:** Foster inclusive, sustainable economic growth, full employment, and decent work for all.
- **9. Industry, Innovation, and Infrastructure:** Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.
- 10. Reduced Inequality: Reduce inequality within and among countries.
- 11. Sustainable Cities and Communities: Make cities and human settlements inclusive, safe, resilient, and sustainable.
- 12. Responsible Consumption and Production: Ensure sustainable consumption and production patterns.
- 13. Climate Action: Take urgent action to combat climate change and its impacts.
- 14. Life Below Water: Conserve and use the oceans, seas, and marine resources for sustainable development.
- 15. Life on Land: Protect, restore, and promote sustainable use of terrestrial ecosystems, manage forests sustainably, combat desertification, halt and reverse land degradation, and halt biodiversity loss.
- 16. Peace, Justice, and Strong Institutions: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels.
- 17. Partnerships for the Goals: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.



MODERN SLAVERY STATEMENT

OUR COMMITMENT TO HUMAN RIGHTS

Sustainable Living Fabrics acknowledges that modern slavery is a significant issue within the global supply chain. We are committed to respecting and advancing human rights in all aspects of our business activities, ensuring that our operations and supply chain remain free from modern slavery and human trafficking. We are dedicated to preventing and addressing any human rights violations connected to our business, products, or services and to proactively identifying and addressing any risks of modern slavery.

INTERNATIONAL STANDARDS & GUIDELINES

At Sustainable Living Fabrics, we are dedicated to upholding human rights in accordance with international standards, such as the United Nations Universal Declaration of Human Rights, the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights. This policy aligns with the UN Guiding Principles Reporting Framework, demonstrating our commitment to respecting, supporting, and promoting human rights throughout our operations and business relationships. Furthermore, we are committed to ethical and responsible business practices, which includes eliminating modern slavery and human trafficking in all aspects of our operations. We recognize the importance of the Modern Slavery Act 2018 in Australia and fully comply with its requirements.

THE MODERN SLAVERY ACT & OUR COMMITMENT TO HUMAN RIGHTS

The Modern Slavery Act is an Australian federal law that mandates businesses with an annual turnover of \$50 million or more to report on the risks of modern slavery within their operations and supply chains. The legislation aims to prevent all forms of modern slavery and human trafficking, including forced labour, debt bondage, and child labour. This policy applies to all employees, contractors, suppliers, and business partners of Sustainable Living Fabrics globally, including those involved in our operations and supply chains. We expect all those we work with to share our commitment to ethical business practices and to comply with the requirements of the Modern Slavery Act.

We are committed to upholding fair labour standards, including:

- Prohibiting forced labour, child labour, and human trafficking
- Ensuring fair wages, hours, and conditions in line with laws and standards.
- Supporting the right to freedom of association and collective bargaining



MODERN SLAVERY STATEMENT

NON-DISCRIMINATION, EQUAL OPPORTUNITY, HEALTH & SAFETY

We promote diversity and inclusion, prohibiting discrimination based on race, colour, sex, language, religion, political opinion, national or social origin, property, birth, disability, or any other status. We are committed to providing a safe and healthy work environment, prioritising measures to prevent workplace injuries and illnesses and supporting the physical and mental well-being of our workforce.

IMPLEMENTATION & GOVERNANCE

We regularly carry out risk assessments to identify and evaluate potential risks of modern slavery within our operations and supply chains. This process involves pinpointing high-risk areas, reviewing the labor practices of our suppliers and contractors, developing strategies to mitigate these risks, and consistently monitoring and reporting our progress both internally and externally.

We perform thorough due diligence on our suppliers to ensure they align with our ethical standards. This includes requiring all suppliers of products to Sustainable Living Fabrics to complete a Modern Slavery Questionnaire, which evaluates their fair labour policies, third-party audits, staff training, workplace safety, and anti-discrimination practices. Suppliers must demonstrate their own Human Rights Due Diligence (HRDD) which include:

- Identifying & Assessing Impacts: We evaluate human rights risks through assessments, consultations, and impact studies.
- Integrating & Acting: We incorporate findings into processes and take steps to prevent and mitigate impacts.
- Tracking & Monitoring: We track effectiveness through KPIs, audits, and reviews.
- Communicating: We report transparently on how we address human rights impacts.

CERTIFICATIONS

We certify our products through Good Environment Choice Australia (GECA), which ensure adherence to human rights due diligence (HRDD) and corporate social responsibility (CSR) standards. This certification requires our suppliers to demonstrate: operational transparency, ethical labour practices, and responsible sourcing, all of which help mitigate modern slavery risks.



MODERN SLAVERY STATEMENT

STAKEHOLDER ENGAGEMENT

We actively engage with our stakeholders—including employees, suppliers, customers, and communities—to understand their perspectives and address concerns related to human rights. This engagement helps inform our due diligence process and improve our human rights practices. Given the complex nature of supply chains, we engage deeply with our product suppliers to raise awareness about modern slavery, its regional variations, and encourage them to adopt measures to prevent it. This includes increasing transparency, capacity building, monitoring, auditing, and establishing prevention mechanisms such as grievance channels and anonymous surveys.

TRAINING & AWARENESS

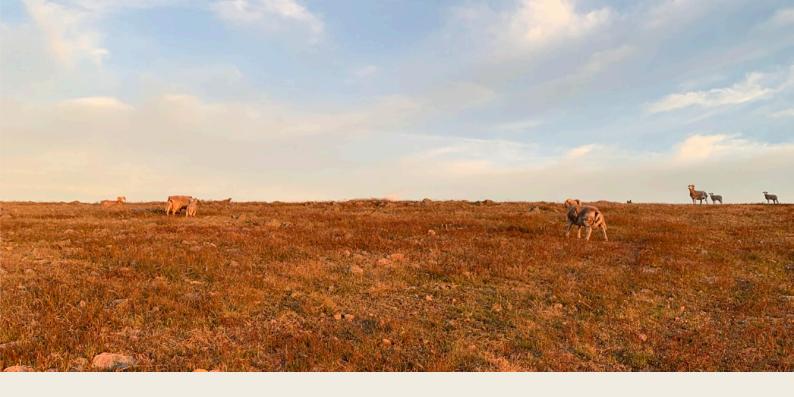
We provide training and awareness programs for our employees, contractors, and suppliers to ensure they are equipped to understand the risks of modern slavery and know how to report any concerns. This includes educating them on regional legal frameworks, forms of modern slavery, and their responsibilities in mitigating risks.

REPORTING & ACCOUNTABILITY

We are committed to transparent reporting on our human rights performance. This includes disclosing the human rights impacts of our operations, the actions taken to address them, and the outcomes of our efforts. We provide an annual report in line with the requirements of the Modern Slavery Act 2018.

We strive to continuously improve our human rights practices, regularly reviewing and updating our policies to align with evolving standards and stakeholder expectations.

Sustainable Living Fabrics' leadership oversees the implementation of this policy, with our Managing Director managing its day-to-day execution and ensuring our commitments to human rights are met.



TOWARDS ZERO

NET ZERO AND TOWARDS REAL ZERO

Net Zero Emissions represents the equilibrium between the greenhouse gases emitted into the atmosphere and those removed. While we have attained this balance through our Climate Active certification, we remain dedicated to pursuing 'real zero' – an ongoing commitment to further reducing our emissions and relying on offsets only when essential.

OUR PROGRESS

Over the last 13 years since our base year in 2011, we have seen a significant reduction in both our emissions for our production and within our organisational practices.

- Our product emissions have reduced by 78%*
- Our organisational emissions have reduced by 74%*

TOWARDS ZERO

The bulk of our emissions stem from fabric production and the operation of our warehouse. As we move into 2025 and beyond, we are committed to forging closer collaborations with our suppliers and aligning ourselves with other carbon-neutral businesses. For instance, our energy provider, AGL, is now certified Climate Active. Starting in 2025, AGL will offset our emissions before they even reach us. Additionally, we are aligned with companies such as Qantas, which holds Climate Active certification, and Australia Post, which now utilise electric vehicles (EVs) for the delivery of all our sample requests and small fabric orders.

PUBLIC DISCLOSURE STATEMENTS

Our 2022-2023 detailed Public Disclosure Statement is available to view if you are interested in more information about our carbon emissions and reductions.

Click here to view our Climate Active Product PDS

Click here to view our Climate Active Business Operations PDS

^{*}Accurate as of July 2024. Calculated from the base year of 2011. For more information on how this is calculated see our PDS below.



SUPPLIERS DECLARE PRODUCT AWARE

OUR DECLARATION TO A SUSTAINABLE FUTURE.

We are very excited to announce that our products have been included in the Australian Product Aware Database. This database developed in 2021 by Cox Architecture as a tool for designers to establish which products and brands in the industry are committed to transparency and a sustainable future.

The Database is part of the Architects Declare movement, where 1194 Architects and Designers across Australia have declared to 'strengthen their working practices to create architecture and urbanism that has a more positive impact on the world'.

"Architects Declare signatories are committed to making more sustainable and healthier decisions through product and material selections used in our buildings."

The Product Aware Database sits within this movement. Designed to be used as a tool, it provides a clear snap shot of product details and credentials.

"to provide designers and architects with access to information on the human, climate and social health, equity and circularity of the subject product, as well as gathering general product information."

As a company that has always put Sustainability, Circularity and Transparency first, joining this movement was an easy decision to make. We have the same overreaching goals to provide the industry with products that create a more positive impact on the world.

To see our products on the database click here.



AUSTRALIAN MADE SUSTAINABILITY

SHORTER DISTANCES MEAN LESS CO2 EMISSIONS

Producing our fabric in Australia means we can reduce our transport emissions. Although we are already carbon neutral, this helps us move towards real zero and minimise how much carbon we produce to begin with.

SUPPORTING OUR LOCAL ECONOMY

Supporting local manufacturing is essential to our mission. As a small, locally-owned business, contributing to this through our production processes is crucial. In the current climate, it is especially important to strengthen the local economy and foster the growth of the Australian textile manufacturing industry.

STRONGER RELATIONSHIPS WITH OUR MANUFACTURERS

Our commitment to delivering durable, high-quality products is underpinned by the robust relationships we maintain with our manufacturers. Direct communication with our supply chain enables us to uphold consistent product quality and ensure timely deliveries.

EXPEDITED DELIVERY

In an industry where short lead times are often challenging to achieve, our local production facilities and strategically managed warehouse stock enable us to maintain a reliable lead time range of 2 to 6 weeks. This allows us to meet tight deadlines and provide alternative solutions, even for projects with stringent time constraints.

COMMITMENT TO ETHICAL WORKING CONDITIONS

By choosing local manufacturing, we ensure that all working conditions meet rigorous standards of fairness. Unlike overseas production, which can present challenges in monitoring labor practices, our local suppliers undergo thorough audits, including GECA certification, to guarantee fair wages and ethical working conditions.





GREEN STAR

Launched by the Green Building Council of Australia in 2003, Green Star is Australia's only national, voluntary rating system for buildings and communities. Green Star is an internationally recognised rating system for sustainability.

To achieve Level A within the GBCA's Green Star Sustainability Rating Program, designers must specify our GECA Certified fabrics along with GECA Certified Furniture, Fittings and Foam. While our fabrics help contribute to achieving Green Star points, our fabrics do not achieve points on their own.

Points may be awarded to finished furniture upholstered in a sustainable fabric.

For more information on the Green Star rating system <u>click here</u>.

LIVING BUILDING CHALLENGE

The Challenge aims to transform how we think about every single act of design and construction into an opportunity to positively impact the greater community of life and the cultural fabric of our human communities. The program has always been a bit of a Trojan horse—a philosophical worldview cloaked within the frame of a certification program. The Challenge is successful because it satisfies our left-brain craving for order and thresholds and our right-brain intuition that the focus needs to be on our relationship with and understanding of the whole of life. We are looking into how our products can be used within the Challenge parameters.

For more information on the Living Building Challenge click here.



TOWARDS A CIRCULAR ECONOMY

A circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. This aims at tackling global challenges like climate change, biodiversity loss, waste, and pollution.

THE IMPACT OF THE TEXTILE INDUSTRY

The textile industry is the second largest polluter in the world, after the oil industry. The environmental damage is only increasing as the industry grows.

The most recent National Waste Report shows that an estimated 860kt of textiles waste was generated in Australia in 2020-21. This includes clothing (about 30%) and other types of textiles such as carpets, soft furnishing, bedding, leather and rubber (excluding tyres). Just 5% was recycled – and most of this was carpet recycled at one facility in Melbourne. The majority of Australia's textile's waste is exported. One study has shown that 95% of textiles that end up in Australian landfills are potentially recyclable, which means there is huge potential to increase rates of recycling, if adequate investments are made.

The interior design and commercial textile industry make up a significant portion of textile waste. The recycling rate is even lower as the fabric used is not a finished product and often overlooked as a recyclable resource.

Our goal is to keep as much of our textiles out of landfill as we can and help close the loop towards a truly circular economy.

We are honest about the fact that in Australia, large scale textile recycling options are only just beginning to emerge, there are many new innovative developments and we are excited for what options the future brings.



OUR RECYCLING JOURNEY

After five decades in the commercial textile industry, we are only now witnessing the initial stages of funding and infrastructure planning aimed at addressing the substantial waste generated by the Australian textile sector.

Across various industries, there is an increasing shift towards circular or cradle-to-cradle certifications, reflecting a growing commitment to sustainability.

For us, however, the challenge lies in the fact that our product lifecycle extends only from "cradle to gate" meaning our control is limited to the point at which our fabrics leave the factory. Once they are in the hands of upholsterers or consumers, the responsibility for proper waste disposal shifts to them.

Historically, our recycling policy encouraged clients to return unsoiled fabric offcuts for reuse in sampling. Unfortunately, fabrics that have been upholstered using adhesives or those that are damaged have had fewer recycling options available.

Ultimately, the responsibility for environmentally responsible disposal rests with our customers. It is well-known that discarded fabrics often end up in landfill, which is why our overarching objective is to drive a shift in behavior within the industry.

At this point, the most effective solution is to offer our clients viable options for fabric disposal through the emerging recycling channels that are becoming more accessible. By providing our customers with the necessary information, we hope to inspire the industry to take action and close the loop.

Australia has a long road ahead in embracing a circular economy, but our team is committed to ongoing research and fostering partnerships with textile recycling organisations as new solutions continue to emerge.



OUR RECYCLING OPTIONS

Circularity is a collaborative effort involving both our customers and our supply chain. To be fully transparent, the textile recycling landscape is far from perfect. We are pleased to partner with Upparel, offering our clients a valuable solution for recycling fabric offcuts from production as well as end-of-life textiles from dismantled furniture.

Upparel, an innovative organisation based in Melbourne, is leading the charge for future generations in the textile recycling and upcycling industry. They transform textiles into high-quality, functional products while supporting both organisations and charities in their pursuit of sustainability and circularity.

HOW ARE THEY RECYCLED?

Incredibly, all Upparel's recycling is done right here in Australia. For years Australia has been shipping our textile waste off shore, increasing the carbon footprint of the fabric and putting extra pressure on third world countries to process our waste.

Depending on the fabric and its condition, the fabrics will be recycled differently. Untarnished fabrics can be blended with virgin fibres to produce yarns ideal for manufacturing new fabrics. Any fabric not fit for re-spinning including fabric attached to other elements such as glue will be shredded for use in upcycled products such roof tiles, insulation, office partitions and stuffing for pet beds.

They are available for both small scale recycling from as little as 10kg to commercial scale recycling upwards of 100kg. More details can be found on our website <u>here</u>.

CIRCULAR SOURCING

DEADSTOCK

WHAT TO DO WITH SURPLUS STOCK OF DISCONTINUED RANGES?

Deadstock is any unsold, discontinued inventory; it is 'new' old stock from another era.

Continuing on with our sustainability journey, we were looking for an eco-friendly alternative to reducing warehouse space without contributing to textile waste and landfill. By offering these fabrics to our community at a discounted rate, we believe we can successfully pass on our old stock which does not integrate into our new brand.

A selection of our Deadstock fabrics and samples are now available to purchase through Circular Sourcing.

Circular Sourcing is an Australian marketplace dedicated to the sale of designer deadstock and quality surplus fabrics.

This will also improve our warehouse storage space, and allow room for new ranges.

These fabrics are limited and will not be manufactured again. If stock runs out, it is gone. If you have a large ongoing project, we recommend picking from our current range and not our Deadstock fabrics.



2025 AND BEYOND

As a small business, the past two years have allowed us to focus more on improving our internal processes and how we interact with our clients. The landscape of business has kept us on our toes and tested our ability to adapt. Our sustainability progression has ALWAYS been internal and we have been reviewing in depth our systems and processes by planning for the future of sustainability in our organisation.

MARKETING CAMPAIGNS

This year, our social media initiatives have focused on showcasing our brand's core aesthetic—colour and texture. We have highlighted the exceptional quality of our premium fabrics, emphasising the crispness and clarity of our colours. These colours, meticulously crafted by our in-house design team, are thoughtfully coordinated to offer versatility across a wide range of sectors, including commercial, residential, educational, hospitality, and healthcare. Our campaigns also celebrate the significance of locally sourced and locally manufactured products, supporting the revitalisation of Australian manufacturing and contributing to the growth of the local industry.

In addition to our Instagram efforts, we've expanded our presence on LinkedIn, where we engage in deeper, more thoughtful discussions on topics of relevance to our industry. We believe that leveraging both Instagram and LinkedIn enhances our ability to connect with clients, while targeting those who resonate with our products and values.

OUR SUPPLIERS

A key focus this year has been strengthening our partnerships with suppliers and gaining a deeper understanding of new programs and strategies that will enable us to achieve a truly sustainable future. Across all aspects of our business, we are working collaboratively to minimise our environmental footprint.

While our emissions are currently offset, we are committed to achieving Net Zero. To meet this goal, it is essential that we align with suppliers who are also committed to sustainability. For this reason, we are prioritising partnerships with suppliers who are certified carbon neutral. This alignment will not only support our own sustainability efforts but will also extend our impact, bringing us closer to our Net Zero goal.



2025 AND BEYOND

FIBRES

Wool is the preferred choice for commercial textiles due to its exceptional durability, health benefits, and natural mechanical stretch. As a naturally renewable resource, wool also boasts remarkable thermodynamic properties. Moving forward, we aim to advocate for the greater integration of wool in both design and construction within the industry. Traceability is a core focus when it comes to our yarns. Gaining a comprehensive understanding of the journey our yarns undertake—from raw materials to spun fibres—allows us to more effectively manage our environmental footprint. This insight also enables seamless collaboration with farmers and mills, ensuring that each stage of production is carried out with a focus on sustainability and reducing our environmental impact.

OUR COMMITMENT TO PROGRESS

While polyester and synthetic fibres have become popular due to their lower cost, their environmental toll is considerably higher. Although our synthetics are fully traceable and certified as environmentally responsible, we remain committed to continually enhancing our practices. Over the next five years, we are dedicated to working closely with our supply chain and GECA to explore alternatives for transitioning our entire polyester range to more sustainable fibre options.



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