

PRESS RELEASE

REDA LAUNCHES “REDA FUTURE PROJECT” INITIATIVE FOR LONG-TERM PARTNERS, SETTING INDUSTRY STANDARDS FOR INNOVATION, CREATIVITY AND HIGH QUALITY FABRICS

Reda, the renowned Italian fabric and active wear producer from Italy has released a ground-breaking new long term contract designed to support and promote the best Australian superfine wool producers. Considered to be the first of its kind, the 5-year contract has arrived just in time to breathe life into an otherwise lacklustre market for superfine wool. Promisingly termed the Reda Future Project, Reda launched the exciting new initiative in early June through its buying arm in Australia, New England Wool. Offering prices at significant premiums to the auction market, it was offered to a select group of high quality producers throughout NSW, Victoria and Tasmania. Only farms producing the highest quality wool were selected to kick-start Reda’s initiative.

In addition to incentivizing superfine wool producers, the Reda Future Project has been designed to stabilise and hopefully grow the supply of high quality traditional wool, which will allow Reda to pursue its plans of expansion and continuous innovation in the future.

“This initiative addresses significant supply issues for Reda. If there are no incentives in the market, we are concerned that growers will stop focusing on quality. Without quality, we cannot hope to innovate and grow as a company”, said Fabrizio Botto Poala, Director of Global Procurement at Reda.

The Reda Future Group of growers were asked to commit to delivering wool of the highest standards to Reda for a period of 3 or 5 years. Those who chose the 3-year option would have another opportunity to extend to 5 years in the future. Prices ranging between 15% and 35% above current auction prices were offered for wool types from 15.8 – 19.2 micron. A significant feature of the contract was the flexibility of the prices in relation to the physical auction market. If the average price rose over the current season, the base prices of the contract would rise accordingly in the next year of the contract. Growers also had the option to choose the maximum percentage by which their contract prices could rise or fall in any one year of the contract. Options of between 0% and 20% market movement, up or down, could be locked into each individual contract, the choice reflecting each grower’s appetite for risk.

All members of the Reda Future Group were required to be accredited under the SustainaWOOL™ Integrity Scheme. This scheme promotes each farm’s high-level credentials in Animal Welfare, Animal Health, Traceability, Environmental Care and Wool Quality. SustainaWOOL™ was released in March 2015 and now boasts 450 accredited farms throughout Australia.

Reda, who celebrated their 150th year in 2015, has based its production of fabrics on values such as style, sophistication, elegance and performance and is at the cutting edge of technology and innovation. Reda’s suiting fabric finds its way into the collections of the high-end fashion brands. In recent years, there has been diversification into active sportswear, “Reda Rewoolution” and technical fabrics, “Reda Active”. This has seen Reda fabrics worn by extreme athletes around the world and their fabrics used in diverse products such as board shorts, ski boots, sports helmets and waterproof jackets. Located near Biella in Northern Italy, the Reda mill employs 400 workers, uses approximately 22,000 bales of greasy wool and produces over 7 million metres of fabric.

The “Reda Future Project” initiative is the latest in a suite of contracts and promotions that have been offered to producers of traditional superfine wool over a number of years in Australia. “We are investing in growers who have supported us over many seasons. It is not just talk - we are endeavouring to make a positive difference to their bottom line and at the same time, grow the supply of high quality wool for our own future. We have to work together on this”, said Mr Botto Poala.

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