FE FASHION ENTERPRISE

GOOD EARTH COTTON

FibreTrace

FASHION ENTERPRISE

Fashion Enterprise is the exclusive Apparel Manufacturing partner for Good Earth Cotton® and FibreTrace® in Vietnam.
We specialise in the production of high value raw and dyed yarn, knitted and woven/denim fabrics and garments.

Partnering with leading Vietnamese spinning and textile mills we provide high quality and traceable Good Earth Cotton®, Australian cotton and Merino Wool that is suited to a multitude of retail and fashion applications.

Fashion Enterprise's partnership with Good Earth Cotton® and FibreTrace® enables us to guarantee supply chain authenticity and security to our customers, and keep our operations to the highest of standards in terms of sustainability.

By purchasing carbon positive Australian cotton from Good Earth Cotton® and implementing GOTS-certified FibreTrace® technology, we offer real-time verification of the yarn, fabrics and garments we create.

Transparency and traceability are essential to the future of our business, and we are committed to improving the longevity and the efficacy of our practices, in order to fully support the transition to a less wasteful and more circular economy.

At Fashion Enterprise our commitment is simple: we thrive to leave a long-lasting legacy of responsible supply chain management that harnesses tomorrow's technology, ensuring we can deliver quality fashion manufacturing whilst maintaining seamless customer service and experience, across our operations.

VIETNAM

Vietnam is one of the world's fastest growing economies, a strategic partner for Australia, and one of the largest import markets for Australian cotton.
The countries textile industry has continuously grown at an average rate of 17 percent annually.
Major factors driving industry growth are increasing textile exports derived from multilateral free trade agreements and low labor costs.
In turn, there is a greater number of international brands and FDI's focusing on establishing Vietnam supply chain solutions.

GOOD EARTH COTTON

The world's first Carbon Positive, Traceable cotton.

Good Earth Cotton® employs modern regenerative and smart farming practices to minimise its environmental footprint and maximise soil health.

Good Earth Cotton® is not only independently certified as being carbon positive, but the farm upholds world best practice resulting in improved soil health, biodiversity, water efficiency, minimal chemical use, as well as increasing renewable energy year on year since 2012.

Today, the Good Earth Cotton® farm known as 'Keytah' sequesters approximately 21 Million kg of CO2. That's equivalent to taking approximately 4,500 cars off the road with every harvest.

How is it done?

- Zero to minimum tillage
- High yield, reducing resources
- Solar and Renewable energy
- Biodiversity, Native vegetation and Pest management
- Organically composted waste
- Independently certified
- Low water use

Sundown Pastoral Co.

With 35 years of industry know-how, Sundown Pastoral Company have been leaders in revolutionising cotton farming as we know it - resulting in the world's first carbon positive cotton crop.

Sundown Pastoral Co, comprised of "Keytah" and St Ronan's estates, is owned by the Statham family. Three generations of the Statham family have worked the farm; each generation continues to prioritise innovation, sustainability and quality.

COTTON SPECS

• 3.5 - 4.9 NCL	
• 28 GPT (strength)	
• Strict Middling, 2 leaf, 1-5/32"	+100 usc/points/lb
• Strict Middling, 2 leaf, 1-3/16"	+125 usc/points/lb
• Strict Middling, 2 leaf, 1-7/32"	+150 usc/points/lb
• Middling, 3 leaf, 1-1/8"	**BASE**
• SLM, 3 leaf, 1-1/8"-1-5/3"	-300 usc/points/lb
• SLM, 4 leaf, 1-1/8-1-5/32"	-400 usc/point/lb

WHOLE FARM

-26,682 T CO2e

The total farm on which Good Earth Cotton® is grown has an accumulated carbon credit resulting from the introduction of farming practices that enhance carbon sequestration. This is a "negative-emission" result meaning that the farm is climate positive or a carbon sink as opposed to a source of carbon emissions.

PER BALE

-421 kg CO2e/bale

This result is dominated by the soil carbon sequestration that resulted from a number of practice changes that were introduced in the cotton farming process. This result is focused on the cotton crop itself.

Modern Regenerative and Smart Farming =

~400kg of CO2e per bale
227kg Australian bale

20% less water
Than conventional cotton
A maximum of 600 US gallons per bale

5% energy reduction every year
A move to renewable sources

Traceable seed to shelf
Powered by FibreTrace® transparency technology

Results reference the world's first Good Earth Cotton® farm, Keytah in Moree North West NSW, Australia.
Water differential is based on average global irrigated cotton use, reported by the International Cotton Advisory Committee.

We can showcase a clean energy future.

The next step for Keytah is powering the entire farming and ginning operation with renewable energy. This approach serves as a model for other farms and gins around the world.

Installation of an 8 hectare solar farm has commenced, which will power the entire farming and cotton ginning operation.

Once installed by end 2023;

- **11,700 tonnes of CO2 neutralised per annum**

- **15,000 MWh annual production of energy**
*Equivalent to powering 2,568 homes per year

- 4.95MW AC/ 8.8 MWp dc/9 MWh battery storage

In addition to powering the farm and ginning operations the renewable energy installation has the ability to produce enough **hydrogen to displace more than 750,000 litres of diesel per annum.**

Sustainability

The Wathager solar farm will reduce the carbon intensity of cotton production with a small footprint

- **Minimal excavation** to protect biodiversity, cultural and heritage assets

- **No adverse land displacement**

- **Minimal generation of traffic** to the area

- Generates **zero-little waste** during its operational life

- **Land can be easily returned** to other uses

- **Decarbonises electricity** supply

- **Minimal impacts on amenity**

Best practice methodology developed in Australia, recognised international accreditation

CONTROLUNION

From | CONTROL UNION AUSTRALIA
Subject | LETTER OF INTENT
Date | 18/06/2021

Dear Relevant Stakeholders,

Control Union Australia has conducted an independent review of the carbon methodology utilised by **Good Earth Cotton®**. We confirm the framework consists of a detailed and comprehensive carbon accounting methodology, with a sound scientific foundation anc broad adherence to the international GHG Protocol Standard. As such we welcome the opportunity to provide independent verification services of farm-based data sets against the methodology.

Additionally, we can confirm that the methodology which **Good Earth Cotton®** utilises is currently reviewing their framework to ensure they are in accordance with the ISO 14064 (2) requirements. Following this process, Control Union intends to provide independent certification services in accordance with the standard.

Best Regards,

Simon Butler

Managing Director Australia

CUA SUSTAINABLE VERIFIED

GOOD EARTH COTTON

THE UNIVERSITY OF QUEENSLAND AUSTRALIA

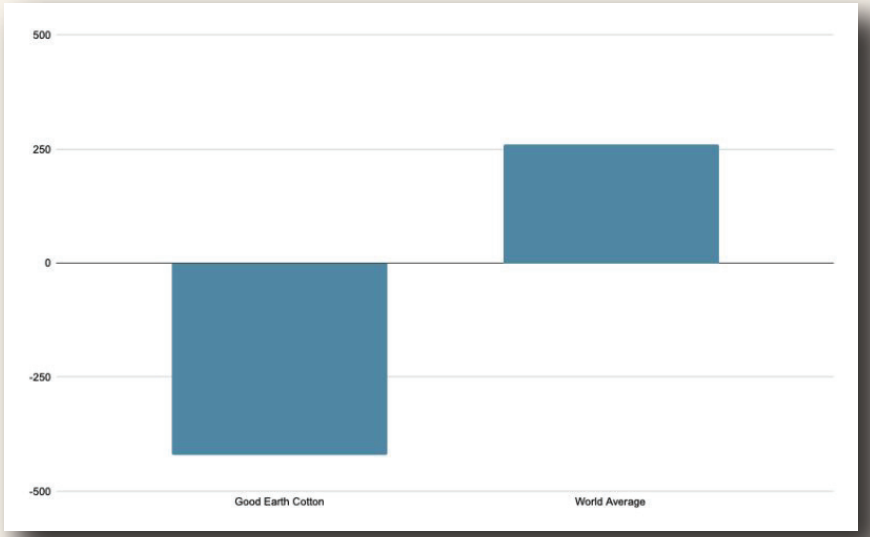
Carbon Friendly

Together we can pave the way for emission reduction in the value chain

An average conventional cotton bale emits 260 kg of C02 per bale.

An average Good Earth Cotton® bale sequesters 400kg of C02 per bale.

Good Earth Cotton® turns cotton from a negative to a positive and can help brands achieve product carbon positive value chain goals.



To note:
- Data outside of GEC is not farm specific, based on LCA and studies that aggregate general data and information
- This data comes from a variety of sources (Aus Industry, US EPA, Shah et al, PE International, etc, therefore should not be used as a true comparison - to do as such farm specific harmonized raw data would be required.

Myth Busting

No organic cotton is grown within Australia.

Australia has over 20 years of research in the development of hybrid seeds specific to Australian conditions that result in improved yield, improved pest resistance, reduced water and pesticide use. Pesticide use has reportedly reduced by 95% on average across Australian farms. The seeds were initially developed with a BT gene which means they cannot claim organic status.

We are presently not confident that an organic cotton operation can sequester carbon, this will be further reviewed in our trials to adopt Good Earth Cotton® practices and principles in India and potentially Pakistan.

• A report by University of Oregon showcases that organic operations at scale negatively impact climate change.

• Global LCA's showcase India organic cotton operations emitting an average of 66.965 kg C02 per bale (not to port)
* FibreTrace is able to mark organic cotton today

FAQ

WHAT MAKES AUSTRALIAN COTTON UNIQUE IN THE WORLDS MARKET?

99% of Australian cotton has followed the advances of biotechnology to create a GM cotton seed that is pest resistant, therefore dramatically reducing the use of insecticides, this in turn creates:

• Higher yields
• Higher tolerance to disease
• Higher fibre quality.

WHAT MAKES Good Earth Cotton® DIFFERENT TO ORGANIC COTTON

Organic cotton does not always have its traceability guaranteed nor does it provide verified impact data, such as GHG emissions and water usage from each and every farm.
Good Earth Cotton® is 100% traceable right down to the farm level and provides full environmental impact accounting, not just a piece of paper.

Claims made about sustainable fibres without the data to prove them are just that - claims.
At Good Earth Cotton®, we believe that only the grower can tell you what particular fibre and/or agricultural practice is best for their environment and livelihood.

WHY IS Good Earth Cotton® BETTER THAN ANY OTHER COTTON?

Good Earth Cotton® produces some of the world's purest, contamination free lint with a brightness in white colour that makes it the highest of quality cotton fibres. Good Earth Cotton® is the only known cotton that is verified to be;

• Carbon Positive
• Traceable.

DOES Good Earth Cotton® USE A LOT OF WATER?

Good Earth Cotton® has been verified as having the world highest yielding crop (approx. 14 bales/ha) with the lowest water use.
"More crop per drop" has been achieved with growing best suited cotton varieties, a massive research effort, the use of latest technologies and cutting-edge sustainable water management practices. Some of these practices include:

• Highly efficient water storage and distribution systems
• maximising water application efficiency
• Carefully monitoring water usage
• Adjusting water efficiency whilst the cotton crop is growing.

WHAT DOES CARBON POSITIVE MEAN?

Good Earth Cotton® is Carbon Positive, meaning its growth actually reduces carbon emissions in the atmosphere. The farms act as giant carbon sinks and absorb more carbon than they release. This fact has been independently verified by the University of Queensland.

myBMP
COTTON AUSTRALIA
Best Management Practice

Licensed Grower
BCI Better Cotton Initiative
www.bettercotton.org

FibreTrace»

Good Earth Cotton® embraces FibreTrace®, an advanced transparency technology business, combining physical and digital traceability with the power of quantification and authentication.

FibreTrace® provides brands and retailers with true custody of supply, the ability to quantify and audit fibre, with access to primary impact data for natural and man-made solutions in real-time.

By embedding a patented luminescent pigment that has been GOTS® certified into the raw fibre, FibreTrace® tracks, verifies and audits Good Earth Cotton® in real-time at each step of the global textile supply chain.

FibreTrace® is embedded in such minute quantities (less than cotton industry contamination standards), it is literally like specs of dust, it does not affect the quality or output of the yarn, fabric, garment nor its feel, dye ability or wearability.

The pigments are indestructible, remaining with the fibre through to reuse and recycle.

INDESTRUCTIBLE AND SAFE MARKERS

FIBRETRACE® embeds luminescent pigments into the fibre, right at the raw source or spinning mill. The pigment bonds and is indestructible throughout the entire textile processing cycle. The luminescent pigment is non-toxic and has no impact on your product, it has been tested and passed safety standards for human skin contact.

SOPHISTICATED TRACEABILITY

The pigments can be read and tracked at every stage of the supply chain through the use of a handheld FIBRETRACE® hardware device which scans and reads the brands individual signature created in the luminescent pigment.

SECURE AND REAL-TIME AUDIT

Each audit is recorded on the block-chain. It is secure, accessible and irrefutable. Scans, or audits, are recorded in real time across the product journey for you to see at every step of the way.

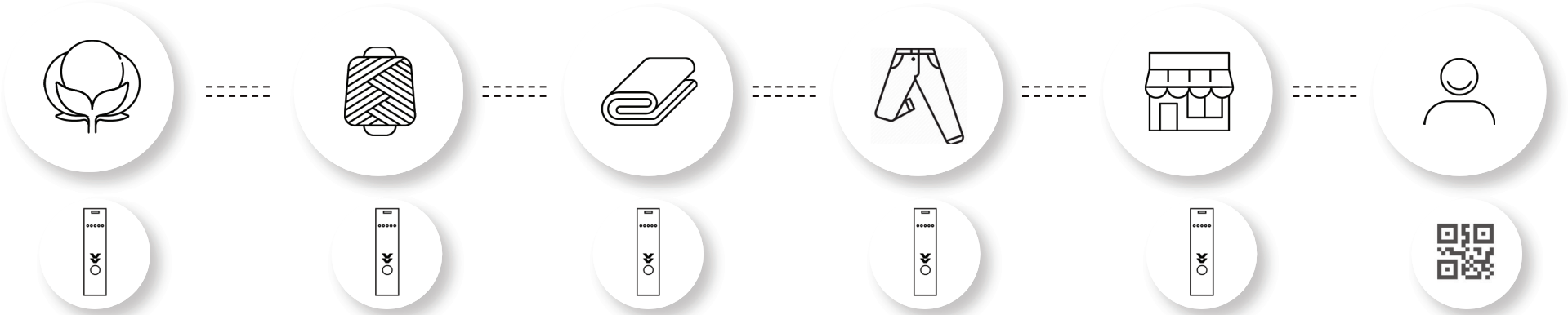
ACCESSIBLE INSIGHTS

This data works for you, creating actionable AI-powered supply chain insights for your business. Accessible from any device connected to the internet, with your secure login.

CONSUMER ENGAGEMENT

The data builds a unique passport, telling the story of every item, from farm to shelf - and sharing that story with the consumer.

Chain of Custody and Real-time Verification



Grower inputs their primary data annually into the Fibre Impact Module (FIM) on FibreTrace®.

FT pigment is added to the cotton at ginning, embedding with the cotton lint.

Fibre is packed and raw materials processor scans out-bound bales prior to shipping to spinning mill.

Spinner receive FT fibre and scans in-bound bales into site/facility (or adds FT sliver during spinning process).

Fibre is converted to yarn and spinner scans out-bound cones prior to shipping to fabric mill.

Fabric mill receives yarn and scans cones in-bound into site/facility.

Yarn is converted to fabric and fabric mill scans out-bound rolls prior to shipping to assembly/CMT.

Assembly/CMT receives fabric and scans in-bound rolls into site/facility.

Fabric is converted into finished goods and assembly/CMT scans out-bound finished goods prior to shipping to brand.

Optional: FT device can be installed at processing site/facility.

Brand receives finished goods and scans in-bound into warehouse site/facility. This concludes the primary FT production cycle.

Optional: FT device can be installed at retail and scanned on arrival to store or in-store demonstration to customers or used for returning and collecting pre-owned products for authenticity and circularity.

Consumer has access to see the brands transparent supply chain and can learn the story behind each product and stage of production.

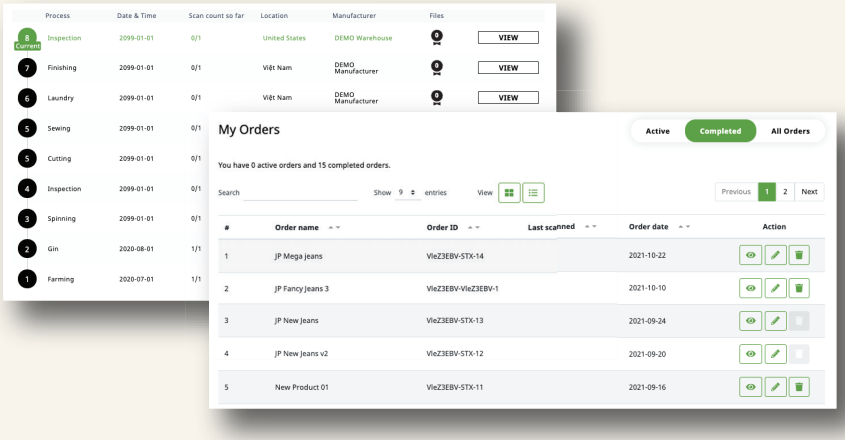
Optional: Unique QR code which links to the FT consumer facing platform the platform can be individually branded.

Real-time insights on your Orders

FibreTrace®'s propriety software gives brands **real-time visibility** on their entire supply chain. Through FibreTrace®'s Brand Module, brands are able to see all their orders at a glance and drill down into specific orders.

FibreTrace®'s **easy to use** software supports **integrations** with PLM and ERP software, as well as custom integrations for specific workflows.

Clients are able to **on-board their existing facilities**, as well as invite new facilities to join FibreTrace®. The result is a simple but powerful software solution that works for everyone from fibre producers, mills and brands.



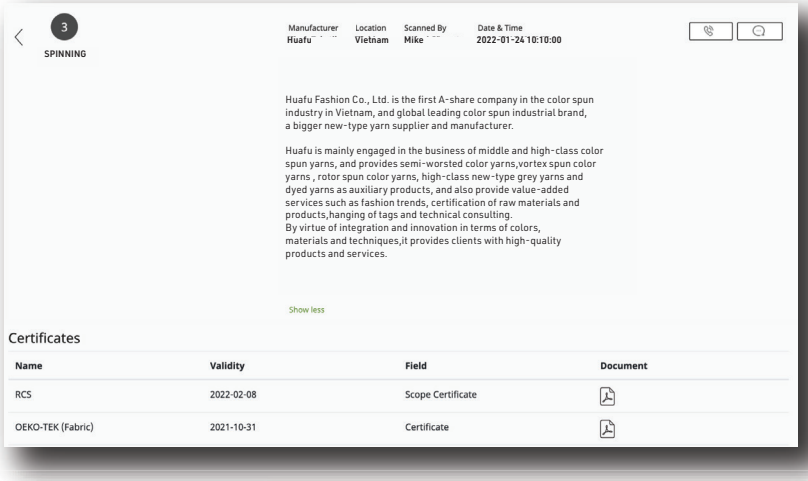
Partnerships that drive industry change

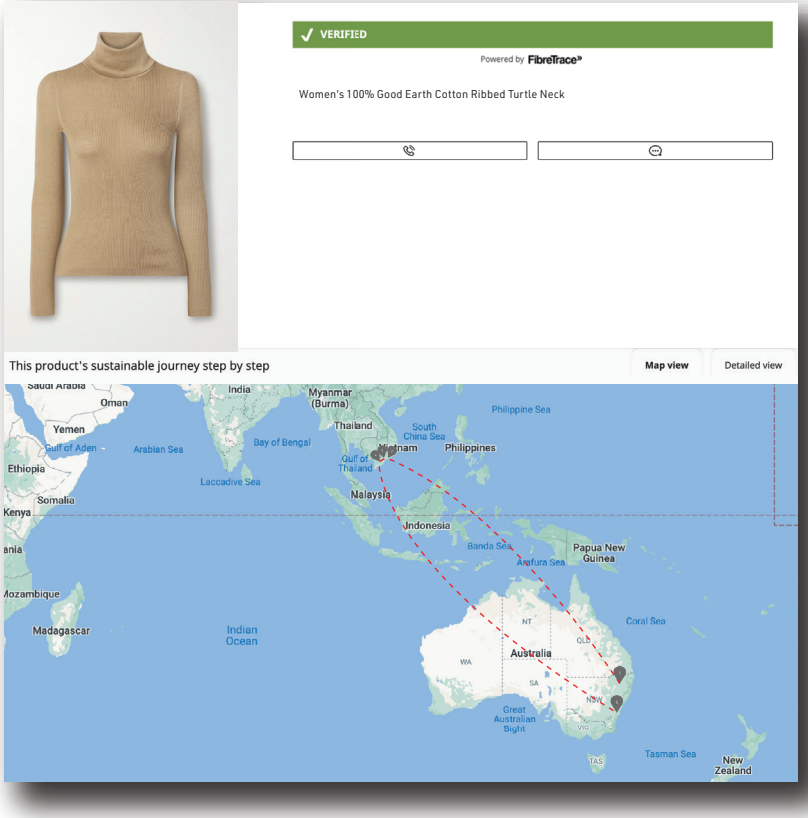
FibreTrace® has partnered with **The Higg Co** to help drive transparency across the global textile industry.

Two pilot projects are underway with the goal of trialling combined technologies to close the gaps for the industry - primary data from raw fibre production, facility data, social compliance - whilst verifying integrity, volumes and composition of fibre, yarn, fabric and finished products.

FibreTrace® has been built system-agnostic which means global auditing companies around the world can connect, utilise and support brands in synchronising data and audits in the FibreTrace® platform.

These collaborators will utilise FibreTrace® technology to help brand and supplier become more efficient, transparent and responsible.





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