

THE NEW ZEALAND MERINO COMPANY LIMITED

ZQ / ZQRX CLAIMS & LABELLING POLICY

Purpose

This policy sets out how ZQ and ZQRX claims and labels may be used by brands, retailers, and supply chain partners. It protects the integrity of ZQ and ZQRX and supports truthful communication to customers.

Scope

Applies to any statement, label, mark, graphic or other communication referencing ZQ or ZQRX, whether on-product or off-product, in B2B or B2C contexts, across print, packaging, digital and in-store environments. Claims must only be used in the Licensed Territory defined in the Brand Licence Agreement and in accordance with NZM Brand Guidelines.

Definitions

Claim - any written, spoken, implied or graphical representation referring to ZQ or ZQRX. On-product - applied to the product or its packaging. Off-product - used elsewhere (e.g., web, social, catalogues). Other capitalised terms (e.g., Licensed Marks, Qualifying Goods, Licensed Territory) have the meaning given in the Brand Licence Agreement.

Guiding principles for claims

All ZQ/ZQRX claims must be:

- Clear: easily understood and not misleading.
- Accurate: truthful, evidence-based, and consistent with certificates and records.
- Relevant: material to the product or business and not distracting from more significant impacts.
- Transparent: scope, verification, and evidence are available on request and on our website.
- Robust: used only when all criteria in this policy are met and approvals obtained.
- Accurate; Relevant; Transparent; and Robust: consistent with recognised good practice (e.g., ISEAL claims principles).

Eligibility & chain of custody

E1. Who may make claims?

- Partners that have signed the NZM Brand License Agreement and source ZQ/ZQRX wool.
- Supply chain partners within the scope of their agreement and any applicable certification.
- Retail partners may make off-product claims where authorised and provided they use approved assets (see Retailer claims).

E2. Traceability & records

Partners must undertake due diligence, maintain traceability systems and records to confirm compliance, and produce these records to NZM on request (per the Brand License). Claims must be supported by such records.

Claim types

- Product claims - claims about content in a product/component.
- Certified organisation claims - communicating licence status/participation.
- Sourcing/commitment claims - about sourcing volumes/targets.

Product eligibility, thresholds & mixing rules

For use of ZQ/ZQRX Licensed Marks and any on-product product claim that uses NZM Licensed Marks:

- Qualifying Goods: 100% of the wool content must be ZQ or ZQRX wool purchased from NZM or an approved supply chain partner.
- To use the ZQRX mark: 100% of the wool content must be ZQRX.
- To use the ZQ mark: 100% of the wool content must be ZQ and/or ZQRX.
- Mixing: no mixing of certified animal material (wool) with non-certified wool where Licensed Marks or product claims are used.
- Other materials: non-wool fibres (e.g., nylon, elastane) may be present provided the wool content rule above is met and claims are clear about scope (i.e., claims relate to the wool component).
- Off-product narrative claims that do not use Licensed Marks must still avoid misleading impressions and reflect actual sourcing/traceability records.

Required elements for product claims (on-product and consumer-facing off-product)

- Approved ZQ or ZQRX mark appropriate to scope (ZQ or ZQRX).
- Partner identification (e.g., Partner legal name as per Brand License)
- Clear description of the certified wool component (e.g., "Contains ZQ-certified wool").
- Approved claim language from the ZQ/ZQRX allowed language outlined below.
- URL/QR link to discoverzq.com.

Allowed language – ZQ / ZQRX

ZQRX	This product is made from [insert %] ZQRX wool. 100% of ZQRX growers have an integrated pest management plan on farm, pest management is a key practice that supports biodiversity.
ZQRX	This product contains [insert %] ZQRX wool
ZQRX	ZQRX wool is meticulously grown, hand-classed and tested to ensure it meets the uncompromising quality, consistency, performance and, of course, comfort.
ZQ	Our ZQ certified wool is hand-classed and independently tested for key attributes like fibre strength, micron, colour, yield and style.
ZQ	The ZQ certification was founded on animal welfare, the first wool certification to ban the practice of mulesing.
ZQ	This product contains [insert %] ZQ wool
ZQ	ZQ certified growers must maintain a high standard of animal welfare, environmental care and social responsibility.
ZQ	ZQ certified growers must maintain a high standard of animal welfare, environmental care and social responsibility. ZQ farms are independently audited every three years and are visited by New Zealand Merino representatives on average two times a year to help maintain high standards and support grower development.
ZQ	ZQ growers are independently audited every three years by an accredited certification body that monitors animal welfare, environmental stewardship and social responsibility.
ZQ	ZQ wool is meticulously grown, hand-classed and tested to ensure it meets the uncompromising quality, consistency, performance and, of course, comfort.
ZQ	Made from [insert %] ZQ certified wool, this product helps to drive a shift to higher animal welfare, care for the environment and social responsibility, with over 600 certified growers protecting the welfare of nearly 5 million sheep and over 2 million hectares of land.

Retailer claims

- Retailers may make off-product claims for Qualifying Goods using NZM-approved assets provided by the Partner or NZM, these assets will be available via the NZM Brand Portal.
- Retailers must not apply Licensed Marks to products unless they are authorised sublicensees for labelling/packaging.
- NZM may require retailers to complete a short acknowledgement/training before using claims.

Approvals & artwork control

- Sublicensing: Partners may sublicense to Related Companies and to contract manufacturers/packaging vendors solely to manufacture Qualifying Goods and apply Licensed Marks to labelling/packaging; the Partner remains responsible for compliance.
- NZM Brand Guidelines must be followed; NZM may require prompt amendment or takedown of any non-compliant or misleading materials.

Monitoring & enforcement

- Twice a year, NZM manually review brand partner compliance to claims policy and brand guidelines.
- NZM may make reasonable inquiries and request information/samples to assess compliance; partners must supply materials promptly.
- On written notice, NZM may require immediate amendment/takedown of non-compliant materials.
- Breaches capable of remedy must be remedied within 14 days of notice. Material/irremediable breaches may lead to termination per the Brand Licence.
- On termination, all licences cease; a sell-down period of up to 12 months applies only for goods already affixed with Licensed Marks at termination; no marketing as a Programme participant during sell-down.
- Suspected misuse of claims or trademarks can be reported to info@nzmerino.co.nz. Egregious supply-chain violations must be reported within 48 hours to NZM per the Supply Chain Code.
- Sanctions: partners must not use Licensed Marks in breach of applicable sanctions or in sanctioned territories/persons.

Legal compliance

Claim makers are responsible for compliance with applicable consumer protection and labelling laws in each market of sale. This policy is not legal advice.

Roles & responsibilities

- NZM Assurance/Brand: policy ownership, approvals, monitoring, training.
- Partners/Marketing: accurate use of claims/marks, records, submissions.
- Sublicensees (manufacturing/packaging): apply marks per approvals and guidelines; Partner remains responsible.

Annex A - Definitions & references

A1. Definitions

Approved Language Bank

A set of pre-approved claim phrases maintained by NZM for use on or off product.

Brand Guidelines

The NZM documents that specify how the ZQ and ZQRX names and marks must appear in all media and formats. NZM may update these guidelines and require partners to comply with the current version.

Brand Licence Agreement (BLA)

The agreement between NZM and a Partner that governs use of the Licensed Marks and participation in the ZQ or ZQRX programme, including obligations on due diligence, traceability, sublicensing, approvals, enforcement, and termination.

Claim

Any written, spoken, implied, or graphical representation referring to ZQ or ZQRX, including on-product labels, hangtags, care labels, packaging, product pages, social posts, catalogues, point-of-sale materials, and corporate communications.

Licensed Marks

The ZQ and ZQRX trade marks that NZM licenses to Partners under the Brand Licence Agreement. Use is limited to Qualifying Goods and must comply with the Brand Guidelines and this policy.

Misuse

Any use of the Licensed Marks or claims that is non-compliant with this policy, the Brand Guidelines, or the Brand Licence Agreement, including misleading or deceptive presentation.

Partner

The licensee named in the Brand Licence Agreement, including any authorised Related Companies and sublicensees.