



Control Union Australia Pty Ltd.
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VERIFICATION STATEMENT

Verification of the NewMerino® Standards for Responsible Wool Production

It is hereby stated that

NewMerino® Pty Ltd

Has been verified according to the *NewMerino*® Standards for Responsible Wool Production (2018)

CUA concludes that the stated outcomes of the NewMerino® systems were achieved in an accurate, reliable and objective manner. Within the parameters of the scope, the NewMerino® system was observed to successfully provide assurance to stakeholders on the production and traceability of wool from responsibly managed farms.

Statement registration number: CUA-NM-24092018

Date of issue: 15-Oct-2018

Valid Until: 14-Oct-2019

Place of issue: Byron Bay, Australia

Managing Director Control Union Australia

Simon Butler



INTRODUCTION

Control Union Australia Pty Ltd (CUA) was commissioned by New Merino Pty Ltd (NM) to perform an independent third party verification assessment on its *NewMerino*[®] Standards for Responsible Wool Production.

The overall aim of the verification process is to provide assurance to *NewMerino*[®] stakeholders on the accuracy, reliability and objectivity of the information provided by *NewMerino*[®] on responsible produced merino wool. The verification is purely system based and will not be relevant to any specific products.

CUA's sole responsibility is to provide independent verification on the accuracy of information included in the scope of work.

The *NewMerino*[®] Standards have been developed and implemented by *NewMerino*[®] for the accreditation of wool farms and to tracking the flow of the raw material from its source to the spinning stage. The production standards are based on the OIE Five Freedoms and focus on animal welfare and sustainability factors, specifically:

- Animal Husbandry
- Nutrition
- Shearing
- Land Management
- Farm Management
- Traceability

SCOPE

The scope of the work is to verify whether *NewMerino*[®] Standards for Responsible Wool Production were effectively implemented and information provided is accurate.

The assessment was carried out on 20 September 2018 and covered

- *NewMerino*[®] Internal Control System
- *NewMerino*[®] Standards version 18.5.1
- *NewMerino*[®] Traceability Protocol version 18.5.1
- *NewMerino*[®] On-Farm Protocol version 18.5.1

Excluded from the scope of our work is any assurance of information relating to:

- Individual farm compliance
- Supply chain actor compliance
- Product compliance
- Activities outside the defined reporting period

METHODOLOGY & PROTOCOL

CUA's verification was executed via three stages:

1. Document assessment

Review of internal and external documentary evidence produced by the *NewMerino*[®] ICS. Additionally assessing the information systems for collection, aggregation, analysis and internal verification of farmer's compliance and transaction data (volume and material flow) up to the spinner.

2. On Farm assessment

Review of performance data by conducting randomized independent audits on a selected sample of *NewMerino*[®] accredited farms.

3. Technical Review:

All the documents produced by the audit team were submitted to the review of an independent internal function in order to determine whether the requirements established for the activity were respected.

CONCLUSIONS

CUA concludes that the stated outcomes of the *NewMerino*[®] systems were achieved in an accurate, reliable and objective manner. Within the parameters of the scope, the *NewMerino*[®] system was observed to successfully provide assurance to stakeholders on the production and traceability of wool from responsibly managed farms.

STATEMENT OF EXPERTISE & INDEPENDENCE

Control Union (CU) is an independent, internationally operated certification body specializing in sustainability, certifications and inspections. It holds over 30 accreditations via the Dutch Accreditation Council ('Raad voor Accreditatie'), who are members of the International Accreditation Fund (IAF). It certifies close to 200 different standards, develops customized sustainability programs and has offices in over 80 countries worldwide.

CUA has conducted this verification independently in line with its internal code of conduct. Competence, consistency and impartiality are observed in conducting this verification.

CUA assumes no liability in respect to any reliance placed on this verification statement.

Control Union Australia Pty Ltd

Byron Bay
Date: 15-Oct-2018

Managing Director Control Union Australia

Simon Butler

