

REGULATIONS GOVERNING THE USE OF FURMARK CERTIFICATION MARKS (10-2021)

1. INTRODUCTION

The FURMARK certificates and certification marks (distinguishing marks and logos) are owned by the International Fur Trade Federation, also known as International Fur Federation (“IFF”), registrant of the FURMARK certification marks. IFF is an organisation founded in 1949, having its office at 153 Wandsworth Road, London SW8 2GB, United Kingdom.

IFF is the coordinator of a global system for supervising the conformity of the certified processes and products in the fur sector with applicable third-party standards as defined below.

2. DEFINITIONS

“Auction Houses”: auction houses selling natural fur and with whom IFF has signed a collaboration agreement

“Auction Sales”: sales at collaborating Auction Houses

“Certification”: third-party certification of Participants’ compliance with the Standards

“Certified Dressing and Dyeing”: dressing and dyeing by a member of the International Fur Dressers and Dyers Association (IFDDA) in compliance with the SafeFur standard

“Certified Primary Production”: Trapping, hunting and breeding as certified under Third Party Programmes

“FURMARK License”: A valid license of the FURMARK system granted by IFF

“Manual”: A certification mark user manual which shall be an integral part of this document and available in the reserved area of the website which shall be reserved to certified organisations and access to which is gained using the passes granted by IFF and allows the download of the logos in their various formats

“Organisation/s”: Manufacturers of natural fur and fur products, auction houses, traders, retailers and other intermediaries

“Participant”: Organisation admitted to the FURMARK certification system

“Standards”: Relevant standards and normative documents of the different welfare and other programmes against which FURMARK-labelled processes and products have been certified

“Third Party Programmes”: various welfare and other programmes against which FURMARK-labelled processes and products have been certified including: WELFUR, NORTH AMERICAN WILD FUR, CANADIAN MINK, US MINK, RUSSIAN FARM-RAISED SABLE, RUSSIAN WILD SABLE and SWAKARA

3. FURMARK SYSTEM

The purpose of the FURMARK certification is to certify the compliance of Participants with specific third-party Standards applicable to fur sourcing, production and treatment. In particular, a due diligence and surveillance of the different phases of the supply chain which includes the sourcing, manufacturing, transforming, trading, marketing, distribution and retail of natural fur and fur products from their origin (farmed or wild) to their end-use, including all intermediate processes. The FURMARK certification system follows a set of Standards which all Third Party Programmes acknowledge.

These programmes consist of (i) Certified Primary Production, (ii) Sales at collaborating Auction Houses operating as Auction Sales and (iii) Certified Dressing and Dyeing. Currently, the following programmes are included in FURMARK:

- 1) WELFUR programme for mink, fox and Finnraccoon, owned by Fur Europe AISBL with on-farm welfare assessments by independent assessors from the accredited certification body A/S Baltic Control
- 2) NORTH AMERICAN WILD FUR programme, owned by IFF with assessments by independent assessors from the accredited certification body A/S Baltic Control
- 3) CANADIAN MINK programme, owned by CMBA with farm assessments by independent assessors from accredited certification body NSF International
- 4) US MINK programme, owned by FCUSA with farm assessments by independent assessors from professional inspection body Validus
- 5) RUSSIAN FARM-RAISED SABLE programme owned by Russian Fur Union with farm assessments by the Scientific Research Institute of Fur Farming (NIIPZK)
- 6) RUSSIAN WILD SABLE programme, owned and developed by Russia Fur Union with assessments by independent assessors from Federal Centre for Hunting Development (FCHD)
- 7) SWAKARA programme, owned by Swakara Board with audits undertaken by International Agricultural Academy for Africa

Certified Primary Production is a prerequisite for pelts to pass through Auction Sales, which is a prerequisite for Certified Dressing and Dyeing.

Manufacturers using fur materials from a Certified Dressing and Dyeing process not originating from Certified Primary Production traced through Auction Sales cannot label their fur as FURMARK.

The latest editions of the different Standards used by the Furmark system are available upon request and can be found in full on the IFF website <https://www.furmark.com>.

4. NEUTRALITY DECLARATION

IFF functions as an independent body which does not trade in any of the certified products, neither directly nor indirectly.

5. ADMISSION

Admission to the FURMARK certification system is available to manufacturers of natural fur and fur products, auction houses, traders, retailers and other intermediaries. The admission process is governed by separate Regulations regarding Admission and Membership to the Furmark System. IFF shall keep an updated list of the Organisations it has admitted as participants in the FURMARK system. Upon admission, the Organisations are considered as holding a valid FURMARK license and shall thereby be entitled to publicise their participation in FURMARK through the use of the FURMARK certification marks and logos.

FURMARK certification marks and logos can be used exclusively by Organisations holding a valid FURMARK license issued by IFF.

6. USE OF MARKS AND LOGOS

The following FURMARK certification marks and logos are registered and owned by IFF:



All property rights and rights of use of FURMARK logos are reserved to IFF retaining full ownership of the intellectual property rights and nothing in the present document shall be deemed to constitute a right for any Organisation to use or cause to be used any of the intellectual property rights unless explicitly agreed or granted.

FURMARK certification marks and logos can be used on websites, advertisements, letter heads, product tags etc. A range of labelling and non-labelling options are available and are described in a FURMARK toolkit with operational guidance for licensed use of the Furmark certification marks and logos (see: <https://furmark.maglr.com/toolkit/home-page>). The toolkit also contains a range of physical marketing materials available to Participants.

The FURMARK certification mark and logos can be used in conjunction with:

- the Organisation's own mark;
- the Organisation's own certification mark, in such a way as not to convey any messages that may create any confusion or may lead to any misinterpretation, and only insofar as they are in conformity with the Manual (cf. Below)
- other logos and certifications from Third Party Programmes as licensed by the owner of such other certification or standards, whether on websites, advertisements, letter heads, product tags etc. and which may then bear the logo of such other mark as long as they are in conformity with the Manual (cf. Below);
- no reference to any logos, certifications or standards other than the above shall be visible to the end-consumer if IFF certification marks are used, unless with IFF's prior approval;
- any alternative combinations not defined in the present regulations, shall at all times be subject to prior approval by IFF.

In the event of such dual or multiple certification concerning different types of product conformity, the

respective marks may only be used when indicating all of the respective standards. The FURMARK certification marks shall never be less visible than the other certification or accreditation marks present, and the combination may not create any confusion or lead to misinterpretation.

For the purpose of the present clause, confusion or misinterpretation occurs whenever it is unclear against which Standards the certified process or product has been certified.

Usage of any kind of logo must comply with the provisions of the present regulations. Information on requirements for the reproduction (colour codes, logo proportions and respective sizes) and examples of use shall be given in the Manual and allows the download of the logos in their various formats.

Logo enlargements and reductions not involving any changes in the pattern shall be allowed; other changes shall be subject to prior approval by IFF. A single certification mark may be used collectively for a range of products.

If the size of the product and packaging do not allow to abide by the minimum dimensional restrictions quoted in the Manual, a tag/label reproducing the IFF logo may be applied on the product/packaging, also in combination with the logo.

Care shall be taken in the use of certification marks and logos in order to prevent any confusion. Product certification marks and logos may be used on advertisements, letterheads, websites, etc., provided that it shall be clear that such markings do not indicate or suggest certifications or guarantees of specific features which are not included in the Standards.

Any Organisation having certified not all but only one (or more) of its products shall be authorised to use the relevant certification marks only on such certified product(s). Should only components of a product have been certified, steps shall be taken to ensure that no end-consumers are misled in believing that such conformity markings refer to the product as a whole.

Should any product certification not include all of the products of any relevant "Organisation", the actual product for which the FURMARK license has been issued shall be specified by explicitly making the following statement beneath the logo: "certification limited to our product lines containing natural fur".

Similarly, should the subject of Certified Primary Production (e.g. farm-raised and wild fur programmes) not have gone through all aspects of the certified supply chain, the relevant logo may only appear with a clear statement of the scope of the certification (e.g. "Limited to the Certified Primary Production Standards of that particular species").

The use of the certification mark is permitted on capital goods and vehicles used to carry out the production and traceability processes for certified product (e.g. commercial vehicles, buildings, work overalls and similar items) with the exclusion of items that are subjects of alternative specific and incompatible certification, especially if it is binding or regulated (machinery, equipment, personal protective equipment, etc.).

7. CONTROL OF THE PROPER USE OF THE CERTIFICATION MARK; DOCUMENT AND TRANSACTION VERIFICATION:

Verifications are made by IFF to assure that FURMARK claims made by license holders are accurate and match with the claims of their respective suppliers and trading partners.

IFF constantly monitors compliance with present Regulations of users of FURMARK certification marks and logos, by way of due diligence assessments, supervision and surveillance.

IFF may from time to time carry out sampling of products and processes, operational sites, management system and records as well as interviews with personnel to the extent necessary and sufficient to verify that the Organisations' internal control and monitoring system is implemented effectively and consistently in order to comply with the Standards.

For the Certification procedure to be applied and verifications to be made by IFF, those Organisations must:

- have a documented management system of their operations allowing compliance checks with the applicable Standards;
- describe the above mentioned system in appropriate documents (including own traceability of certified products and processes);
- accept the rules set forth by the Standards, by these Regulations as well as all conditions communicated by IFF within the scope of its certification (e.g. labelling conditions);
- disclose current or previous applications or certifications with other certification schemes in the last 5 years.

All Organisations not having signed a separate Furmark Agreement with IFF shall sign a self-declaration to demonstrate and acknowledge acceptance of the present Regulations / the Manual / the applicable Standards.

The Organisations undertake to conform and keep its processes and products conform to all applicable legal and compulsory requirements (such as directives, laws and regulations). The Organisation shall also ensure that its suppliers and subcontractors are equally committed, as the Organisation is responsible for their conformity.

IFF certifies through third-party programmes/due diligence checks (conducted by FACT) and a traceability system (conducted by ChainPoint) that the Organisations products and processes and labelling remain in conformity, e.g. by verifying that specific labels and their alphanumeric codes remain connected to specified FURMARK products.

Certified Organisations must undertake:

- to keep their processes and products, including the labelling system and the use of the FURMARK logo and tags, in conformity with the Standards and these regulations;
- to provide information regarding any legal and/or administrative proceedings in progress and promptly inform IFF by e-mail, and subsequently by registered letter, of any non-conform situation recorded by monitoring Authorities (administrative permits etc.),

any suspension or revocation of government authorisations, concessions etc. relating to the production/distribution of products and any processes connected to the Certification;

- immediately notify IFF of any legal and/or administrative proceedings in progress, regarding the subject of certification, within the limits posed by law;
- give immediate notification of any serious events or incidents causing reputational and other damage to the FURMARK certification;
- keep IFF informed of developments of the previously mentioned proceedings;
- to accept, at their own expenses, evaluation audits necessary to maintain the validity of the Certification issued; including the right to carry out unannounced or short notice audits.

As regards the above, IFF reserves the right and faculty to conduct appropriate verifications and, if no conclusive result is obtained from such verifications, then order a timely extraordinary audit and/or perform due diligence.

Certification requirements may change from time to time as a result of amendments to Standards and Certification issuance conditions from IFF or any requirements imposed by regulators. IFF shall promptly notify the certified Organisations (or those waiting to be certified) defining the date on which the new changes come into force, along with a reasonable interval of time to allow Organisations to comply with the new provisions.

Organisations that do not wish to adhere to the new provisions may cancel their Certification by giving sufficient notice thereof to IFF.

In the event of amendments to Standards, IFF reserves the right to verify the compliance of the Organisations' products and processes with the new provisions, by appointed auditors. Audit expenses are at the certified Organisations' expense.

8. SANCTIONS IN CASE OF IMPROPER USE

Use of FURMARK licenses or certification marks or logos in such a way as to potentially mislead the recipients of technical, commercial or advertising information containing such certification marks or logo shall be deemed to be improper.

Specifically, the use of IFF license and certification marks and logos shall be deemed to be improper where such license to use such marks or logos:

- shall not yet have been issued or granted;
- shall have been voided, revoked, suspended;
- shall have been used or publicised outside the relevant scope of application;
- shall have been disseminated in such a way as to be likely to be misinterpreted, such as being mistaken for the certification mark of an uncertified product or production process;
- in all cases of inaccurate or false claims or fraud:
 - Inaccurate claim:
A claim made with regard to a product that is eligible to be sold as FURMARK certified, but is sold with the wrong claim.
 - False claim:
A claim made on a sales document for products that are not eligible to be sold as FURMARK certified.

- Fraud:
Offence of intentionally labelling and/or making FURMARK certified claims on sales documents of products that are not eligible to be sold as FURMARK certified.

All of the above cases of improper use, inaccurate claims, false claims or fraud, or failure to observe any provision of the present Regulations may result in provisional suspension or definite revocation by IFF of relevant licenses, provided for in the Regulations regarding Admission and Membership to the Furmark System and to pursue every possible legal action in order to protect its own interests.

Pending investigation, IFF reserves the right to request and impose immediate removal of any material containing suspected incorrect information.

In the case of objective and incontrovertible evidence that the Organisations' behaviour causes damages to the image of IFF or the FURMARK certification programme, the admission to FURMARK and the FURMARK license may be immediately suspended by IFF without notice as a precautionary measure pending a decision on revocation.

In the event of suspension by IFF of admission to FURMARK and the FURMARK license, the Organisation or user agree to suspend the use of all relevant references, certification marks and logos issued or authorised by IFF.

In the event of revocation by IFF of admission to FURMARK and the FURMARK license, the Organisation or user agree to withdraw all relevant references, certification marks and logos issued or authorized by IFF and shall destroy remaining documentary forms containing, in any form whatsoever, any relevant logo or reference to the FURMARK system.

Such suspension or revocation shall not entitle the Organisation to reimbursement of amounts already paid of any kind.

Organisations have the right to appeal against IFF's decision to suspend or revoke the admission to FURMARK and the FURMARK license, explaining the reasons for their disagreement with the withdrawal decision, within 30 days from the receipt of the related notification.

An Appeal's committee consisting of 3 independent advisors without prior involvement in the case. The members on the appeal's committee shall be appointed as follows: one member shall be appointed by the IFF Board and one member shall be appointed by the appellant Organisation; the first two members then appoint a third member to the appeal's committee (co-optation) among candidates with no prior working relationship with either IFF or the Organisation; the appeal's committee shall be convened to examine the appeal and express its opinion/decide on the appeal within 3 months from the date of receipt. The losing party shall pay expenses.

9. LIABILITY

The Organisation undertakes to guarantee the completeness and truthfulness of the documents and information made available to IFF and its appointed auditors or subcontractors.

IFF is expressly exonerated from all liability in the event of

lacking or incomplete transmission of data or data that does not correspond to the Organisations' actual situation.

To the extent that IFF verifies that the Organisation's management or operating system is able to effectively manage its compliance with Standards, laws and compulsory regulations in relation to the processes and products provided, IFF never assumes direct responsibility regarding the adequacy thereof, and the technical choices and systems adopted by the Organisation remain the sole liability of that party, especially regarding the ascertainment of compliance with legal requirements.

The certification does not relieve the Organisation from its own liability and the legal obligations originating from the supply of products, processes and services nor from the Organisations' contractual obligations with its customers or third parties. More specifically, the parties agree that IFF shall not be responsible for defects of products, processes and services supplied by the Organisation to third parties and IFF shall be relieved from and held harmless from any liability claims for damages caused by defective or non-conform products, inaccurate claims, false claims or fraud, nor by systemic or occasional behaviour of the Organisation in violation of laws and/or Regulations.

IFF shall not be liable for inadequacies or damages of any kind originating from the Organisations' activity, its products, processes or services.

10. JURISDICTION – APPLICABLE LAW

The present Agreement shall be governed by, construed and given effect to in all respects in accordance with the laws of England.

All disputes concerning the validity, interpretation, enforcement, performance and termination of this Agreement shall be finally settled through arbitration in London (UK) under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules.