



Sustainability Framework

-including generic conformance indicators for sustainability commitments

NEPCon Framework	
Title:	Sustainability Framework
Document code:	SP-01
Scope:	Global
Status of document:	DRAFT
Version:	0.1
Date:	25 September 2020
Official Language(-s)	English
Consultation period:	25 September 2020- 26 November 2020
Approval body:	NEPCon
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Introduction

An increasing number of products are carrying sustainability labels and certification schemes have been developed for many commodities. Companies have policies for sustainable sourcing and investors are looking to support responsible development. While the existing schemes largely overlap in their view on sustainability, the multitude of schemes have also led to parallel efforts and sometimes market barriers for smallholders and others.

Inspired both by existing sustainability concepts and the need to harmonize, the NEPCon Preferred by Nature Sustainability Framework has been developed to provide single framework for defining and benchmarking sustainability, that can be used across different commodities and landscapes. The framework consists of 4 principles and 29 criteria addressing different aspects of what we believe shall be considered before claiming something is sustainable.

We have carefully designed the framework to serve multiple purposes. It can be used for verification of forest and farm management as well as for other sectors such as financing, tourism, and others. It can also be used by processors, traders, retailers and others to evaluate their sourcing. As we benchmark the framework against existing schemes, our intention is to recognize the assurance that these already provide, rather than duplicate.

The global framework will be supplemented by risk assessments in our SourcingHub database, enabling to adapt it locally and focus on the issues which are central for each product and region. Sourcing organisations can use the framework to map and mitigate sustainability risks in supply chains, making sustainability commitments across any or all the 29 criteria.

Organizations, who have been verified by NEPCon to address all the Framework criteria, will be eligible to use our new Preferred by Nature Seal and make related on-product and business-to-business claims.

About NEPCon

NEPCon is an international, non-profit organisation founded in 1994, working in over 100 countries with businesses, NGOs and governments to develop solutions to major global challenges such as deforestation and climate change.

NEPCon Mission

To support better land management and business practices that benefit people, nature and the climate

NEPCon Vision

A world where human choices ensure a sustainable future


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The Sustainability Framework



NEPCon's Sustainability Framework consists of four principles and 29 criteria. They have been developed to support organisations and businesses to achieve their commitments as well as market and regulatory demands towards sustainability in land management, trade and processing of forest and agricultural commodities.




Principle 1: Management and business practices are legal and responsible.

- | | |
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|  1 Land tenure and management rights are secure.

 2 Planning and operations meet legal requirements.

 3 Taxes and fees are paid. |  4 Corruption is effectively avoided.

 5 Trade and transport are conducted legally. |
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Principle 2: Peoples wellbeing and human rights are respected.

- | | |
|--|---|
|  6 Worst forms of child labour are eliminated, and employment of minors is responsibly managed.


 7 Modern slavery and forced labour do not occur.

 8 Workers' rights are respected.


 9 Discrimination is not occurring.


 10 Employment is responsible and considers minimum and living wage.

 11 Workplaces are safe and healthy. |  12 Employer-provided housing shall be safe and hygienic.

 13 Gender equality is maintained and protected.


 14 Fair Pricing is implemented supply chains.


 15 The rights of Indigenous peoples are respected.


 16 Community rights are respected.



 17 Remediation measures are implemented as appropriate. |
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Principle 3: Nature and the environment are protected.


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|  18 Natural ecosystems are protected from degradation and conversion.


 19 High Conservation Values (HCVs) are identified and protected.

 20 Chemicals are used cautiously with minimal negative impacts.

 21 Waste is reduced and managed appropriately. |  22 Water resources are protected and used efficiently.

 23 Soil is conserved and managed appropriately.

 24 Animal health and welfare is secure.

 25 Natural ecosystems are restored as appropriate. |
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Principle 4: Climate impacts are minimised and mitigated.

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|--|--|
|  26 Climate impacts are identified and quantified.

 27 Steps are implemented for climate change mitigation. |  28 Climate change adaptation efforts are proportionate to the risks and anticipated impact.

 29 Efforts are taken for carbon removal and ecosystem restoration as appropriate. |
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This document is divided in two parts:

PART A: Contains the Principles, Criteria and Conformance Indicators for setting and verifying sustainability commitments, structured as follows:

Principles	<ul style="list-style-type: none"> Fundamental sustainability elements that are considered globally relevant.
Criteria	<ul style="list-style-type: none"> Sustainability topics to be considered under each principle.
Indicators	<ul style="list-style-type: none"> Quantitative or qualitative parameters that can be assessed in relation to criteria Indicators have different classifications (see below)

Indicators are classified in the document as Legal (L), Core (C), or Best practice (B) as follows:

Type of Indicator	Marked as	Description
Legal	L	These requirements are necessary for an organisation to operate legally.
Core	C	These are requirements that are fundamental to an organisation's or organisation's responsible operation.
Best practice	B	These requirements are considered best practice for responsible production and management.

PART B: Part B contains two separate sections:

- B1:** System requirements, aimed at providing organisations who have made commitments, a structured approach to managing the activities needed to obtain the desired outcomes and impacts. Part B1 is applicable for both land-managers and organisations sourcing products from supply chains.
- B2:** Due diligence requirements relevant to organisations who procure material or products from supply chains and suppliers. The due diligence requirements are made to facilitate a standardised approach to assessing and mitigating potential risks and managing these through the supply chain.

Application – Global principles, local adaptation

The Framework is used as basis for developing risk assessments. The generic Conformance indicators contained in this document are not intended to be used as a stand-alone checklist of conformance – a checklist shall be developed after a national or commodity level risk assessment has been conducted – see figure 1.

Companies at all levels in the supply chain can use the Framework as a benchmark to identify and formulate the policies and commitments that they want to meet in their operations. The Principles and Criteria are generic, but the indicators in this document are developed for conformance evaluation.

The Sustainability Framework uses a risk-based approach. Its Principles and Criteria are generic, but a separate set of Risk Indicators will be applied to generate country- and commodity-specific risk assessments through the NEPCon Sourcing Hub¹ see Figure 1, below.

The Framework is applicable to both large-scale organisations and operations as well as small-scale farmers or producers, including:

- **land managers or owners**, such as forest operations or farms
- **supply chain entities** at any level that are sourcing agricultural commodities or forest products from one or more levels of suppliers, including but not limited to:
 - local processors or exporters
 - manufacturers
 - traders
 - transport or logistics companies
 - distributors or service providers
 - brands and retailers
- **investors or lenders** involved in the agriculture or forests products sectors.

¹ <https://www.nepcon.org/sourcinghub>

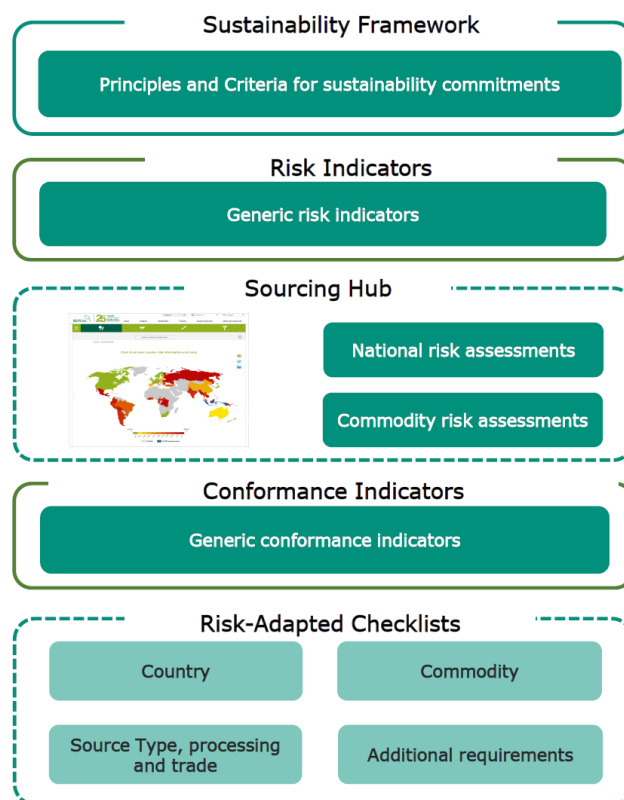


Figure 1: Illustration of the process of Framework adaptation through risk assessments, using the Sourcing Hub as the access point.

Depending on their location in the supply chain, organisations may use the Framework in different ways:

- **Land managers** may use the Framework as a basis for setting commitments to attain legal and/or sustainable production and verify these commitments using the commodity-specific risk assessments and checklists.
- **Processing, trading or lending organisations** may use the Framework to obtain a commodity-specific and/or country-specific risk assessment to implement their due diligence or responsible sourcing programme and ensure their commitments are met at the farm or forest level.

Scope - What products and commodities are covered?

The Sustainability Framework can be applied to any forest or farm, or agricultural or forest supply chain, product, or commodity where its production, trade and/or harvest has an impact on nature, people and climate.

Examples include cocoa, coffee, rice, rubber, tea, palm oil, timber, pulp, paper/packaging, tourism, herbs, fruits, spices, oilseeds, etc.

Moving from policy to practice

For commitments to create positive change, there is a need to clarify the commitments and set time-bound targets, as well as ensuring that commitments are being implemented in practice.

NEPCon's Sustainability Framework supports organisations to put their commitments into practice – by providing indicators that allows them to demonstrate that they are meeting their

commitments, providing a means to publicly communicate progress in meeting commitments, and doing so according to norms of good practice for credibility, rigour and independence.

What type of practices are promoted?

The Sustainability Framework is meant to be applied to **drive continuous improvement**. It is **flexible and open** to be used by companies who are at any step in their sustainability journey. It can help an organisation with commitments and policies that, when well-implemented, lead to:

- **Ensuring legal compliance** – Legal compliance is a basis for achieving sustainability. Legal compliance means complying with applicable legislation related to the different aspects of the Sustainability Framework.
- **Meeting core sustainability requirements** – Core sustainability requirements are requirements that are not necessarily included in legislation but are considered necessary to achieve responsible production, sourcing and processing of agricultural commodities and forest products.
- **Achieving best practice** – Best practices are defined as aspects of production or sourcing that are considered to support positive change in the production or supply chain.

External verification of sustainability commitments

For organisations wishing to gain external recognition of their sustainability performance, NEPCon can verify their conformance against the Sustainability Framework. Verification is tied to the sustainability commitment, so this means that an organisation can choose to become NEPCon verified for their commitments such as to avoid child labour, eradicate modern slavery or achieve deforestation-free supply chains. They can choose to be verified against some or all the Sustainability Framework indicators.

Communications, claims and use of the Preferred by Nature Sustainability Seal

The NEPCon Sustainability Framework offers ways for organisations to communicate about and gain recognition for their progress towards meeting their sustainability commitments.

Organisations verified to meet all Legal and Core indicators of all the commitments in the Sustainability framework, may use the NEPCon Seal and make off- and on-product related claims.

Organisations selecting to work with a limited number of sustainability issues (subset of the sustainability criteria), and verified to meet these selected criteria and indicators, may make claims about their achievements, but cannot use the NEPCon seal.

Organisations that are working with NEPCon on specific elements of their sustainability efforts or do not pursue verification, may communicate about such work and their progress. However, they may not make product-related claims or use the NEPCon seal. Any communication in relation to the Sustainability Framework shall be limited to describing the nature and scope of the collaboration with NEPCon. NEPCon also reserves the right to communicate about companies with which it collaborates and supports – through the NEPCon website and other communications channels such as social media and external newsletters.

PART A: SUSTAINABILITY CONFORMANCE INDICATORS

<p>Principle 1: Management and business practices are legal and responsible</p> <p>The operations of land managers and the practices of businesses are conducted in compliance with applicable legislation, and in a responsibly manner.</p>	<p>Category "Legal, Core or Best practice"</p>
<p>1. Land tenure and management rights are secure.</p> <p>Land tenure and the right to operate shall be clearly established according to legal processes.</p>	
<p>1.1. Land tenure rights shall be secure and obtained through legally established processes.</p>	L
<p>1.2. Licenses and management rights, shall be in place and issued:</p> <ul style="list-style-type: none"> a) according to the legally prescribed procedure; b) in absence of conflict with third parties rights; c) specifying the legally-gazetted boundaries; <i>and</i> d) in the absence of corrupt practices. 	L
<p>1.3. Legally required rights to operate shall be in place and obtained through legally established processes.</p>	L
<p>2. Planning and operations meet legal requirements.</p> <p>The planning and operations shall meet legal requirements.</p>	
<p>2.1. Legal requirements related to disclosure of information shall be complied with.</p>	L
<p>2.2. Legal requirements for farm or forest planning² shall be complied with.</p>	L
<p>2.3. Legal requirements for land clearance or land-use changes shall be complied with.</p>	L
<p>2.4. Legal requirements related to operation or harvesting <u>permits</u> shall be complied with.</p>	L
<p>2.5. Legal requirements for land preparation and management shall be complied with.</p>	L
<p>2.6. Legal harvesting or production requirements shall be complied with.</p>	L

² This includes any mandatory planning document and social and environmental impact assessments.

2.7.	Responsible practices in land acquisition, planning and site development should be used, including: ³	B
a.	integrated and participatory assessment and land-use planning should be conducted as part of the land acquisition process; and	
b.	stakeholders should be consulted prior to land acquisition and development.	
3. Taxes and fees are paid.		
All applicable taxes and fees have been paid in a timely manner and according to legal requirements.		
3.1.	Legal requirements for payment of royalties, land/area taxes and fees shall be complied with.	L
3.2.	Legal requirements for payment of value-added taxes and/or other sales taxes shall be complied with.	L
3.3.	Legal requirements for payment of income and profit taxes shall be complied with.	L
3.4.	Legal requirements for payment of transport, trade and/or export taxes shall be complied with.	L
3.5.	Adequate financial transaction policies and procedures should be in place to ensure proper recording of all financial transactions, as well as to identify possible money laundering. No undisclosed or unrecorded account, fund or asset shall be established or maintained.	B
4. Corruption is effectively avoided.		
Corruption shall be effectively avoided by the Organisation.		
4.1.	Legal requirements relating to bribery, fraud and corruption shall be complied with.	L
4.2.	Payment of or accepting of bribes or other forms of corruption shall be avoided.	C
4.3.	Clear and effective guidelines and policies should be developed and implemented regarding business integrity expectations relating to anti-bribery, gifts and hospitality.	B
4.4.	Corporate hospitality, including the exchange of gifts, should be managed according to best practices, including that the hospitality: ⁴	B
a)	be for a legitimate business purpose, which may include developing business relationships;	

³ [Accountability Framework](#), Core Principles, 7.

⁴ Transparency International, Business Principles for Countering Bribery produced by Transparency International; OECD, 2009. International Chamber of Commerce anti-corruption guide for SMEs. "Good practice guidance on internal controls, ethics, and compliance" of "Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions" 26 November 2009.

<ul style="list-style-type: none"> b) c) d) 	<ul style="list-style-type: none"> not include public officials from which a decision regarding any license, permit, authorisation or any other official act or decision is pending; be given in an open and transparent manner; <i>and</i> not include cash, loans or cash equivalents (such as gift certificates or vouchers). 	
<p>4.5.</p> <ul style="list-style-type: none"> a) b) 	<p>Conflicts of interest should be effectively controlled.⁵</p> <ul style="list-style-type: none"> All conflict of interests shall be identified and declared. Any ownership or beneficial interest, in the Organisation, by a government official, representative of a political party or an Organisation employee is declared. 	<p>B</p>
<p>4.6.</p>	<p>Any political contributions and campaign expenditures shall be publicly disclosed.⁶</p>	<p>B</p>
<p>5. Trade and transport are conducted legally.</p> <p>Trade and transport of material and products shall be conducted according to legal requirements.</p>		
<p>5.1.</p>	<p>Legal requirements relating to trade and transport of products shall be complied with.</p>	<p>L</p>
<p>5.2.</p>	<p>Legal requirements relating to the classification of products for trade and transport shall be complied with.</p>	<p>L</p>
<p>5.3.</p>	<p>Legal requirements relating to export and/or import shall be complied with.</p>	<p>L</p>
<p>5.4.</p>	<p>Legal requirements relating to offshore trading and transfer pricing shall be complied with.</p>	<p>L</p>
<p>5.5.</p>	<p>Legal requirements relating to the trade of CITES species shall be complied with.</p>	<p>L</p>
<p>5.6.</p>	<p>Legal requirements relating to due diligence or due care shall be complied with.</p>	<p>L</p>

⁵ Unilever Responsible Sourcing Policy, Principle 1.

⁶ Accountability Framework, Core Principles 7.8

Principle 2: Peoples wellbeing and human rights are respected		
The organisation shall respect legal obligations related to the rights of workers, indigenous peoples and local communities. In addition the Organisation shall respect fundamental human rights as outlined in the International Bill of Human Rights and the ILO core conventions as set out in the Declaration of Fundamental Principles and Rights at work, as well as the UN Declaration on the Rights of Indigenous Peoples.		
6. Worst forms of child labour⁷ are eliminated, and employment of minors is responsibly managed.		
Legal requirements related to child labour shall be followed and the worst forms of child labour shall be eliminated. Where minors are employed their employment shall follow best practices.		
6.1.	Legal requirements related to child labour shall be complied with.	L
6.2.	The worst forms of child labour shall not be present. ⁸	C
6.3.	Children under the age of 15 (or under the age for completion of compulsory education, whichever is higher) shall not be employed, except in the strict frame of the "Family Farm" ⁹ work or where covered by national legislation in accordance with Article 7 of the Minimum Age Convention. ¹⁰ a) Where young workers are employed, the employment of young people contributes to their personal education and does not expose them to undue physical risks that can harm physical, mental or emotional development. b) Young workers shall not work night shifts, during school hours, or engage in work with hazardous conditions ¹¹ .	C
6.4.	Organisation should follow best practices in eliminating and preventing child labour ^{12 13} a) Organisation should develop and implement a child labour prevention and monitoring plan after considering the results of consultations with community members and minors.	B
7. Modern slavery¹⁴ and forced labour do not occur.		
No form of forced labour or modern slavery occurs.		

⁷ See RS-09 Terms & Definitions

⁸ ILO [Worst Forms of Child Labour Convention](#), 1999 (No. 182)

⁹ See definitions in RS-09 and <http://www.fao.org/3/a-i4306e.pdf>

¹⁰ ILO [Minimum Age Convention](#), 1973 (No. 138)

¹¹ See RS-09 for a definition of hazardous.

¹² https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_456960.pdf

¹³ <https://www.winrock.org/wp-content/uploads/2016/04/winrockenglish.pdf>

¹⁴ ILO [Forced Labour Convention](#), 1930 (No. 29); [ILO Abolition of Forced Labour Convention](#), 1957 (No. 105); [Modern Slavery Act UK](#).

7.1.	Legal requirements related to modern slavery, including forced labour and prison labour, shall be complied with.	L
7.2.	Activities shall be implemented to stop modern slavery ¹⁵ and forced labour.	C
8. Workers' rights are respected. Organisation takes social responsibility and ensures that the rights of workers are respected and/or actively promoted. The Organisation shall ensure respect for the International Labour Organization (ILO) eight fundamental Conventions.		
8.1.	Legal requirements related to Freedom of Association, Rights to Organise and Collective Bargaining ¹⁶ shall be complied with.	L
8.2.	Freedom of Association, the Right to Organise ¹⁷ and the Right to Collective Bargaining shall be respected.	C
8.3.	Legal requirements related to working hours, overtime, rest time and time off, shall be complied with.	L
8.4.	Regular working hours of all workers shall not exceed 48 hours per week, with at least one full day of rest for every six consecutive days worked. Workers receive one meal period break for every six hours worked. ^{18 19}	C
8.5.	Overtime shall be voluntary and shall not result in a work week exceeding 60 total hours, except under circumstances of shorter duration where additional labour is required (e.g. peak harvest seasons). ²⁰	C
8.6.	Workers shall be treated respectfully and are never subjected to sexual abuse or harassment, or verbal, physical or psychological mistreatment.	C
8.7.	The privacy rights of employees shall fully respected, including, but not limited to, whenever an employer gathers private information or implements employee-monitoring practices. ²¹	C
8.8.	Workers' rights should be actively promoted and supported, including through the following: a) payment procedures guarantee the complete payment to workers of all wages due, including for overtime work; b) workers receive at least two weeks of paid vacation leave per year; <i>and</i> c) pregnant women who are active workers receive fully paid maternity leave of at least 12 weeks before or after	B

¹⁵ https://www.ethicaltrade.org/sites/default/files/shared_resources/eti_base_code_guidance_modern_slavery_web.pdf

¹⁶ ILO [Right to Organise and Collective Bargaining Convention](#), 1949 (No. 98).

¹⁷ ILO [Freedom of Association and Protection of the Right to Organise Convention](#), 1948 (No. 87).

¹⁸ SAN Standard, 2017. <https://www.sustainableagriculture.eco/blog/2017/11/9/is-saving-water-enough-5tss3>

¹⁹ ILO, C001 - Hours of Work (Industry) Convention, 1919 (No. 1)

²⁰ SAN Standard, 2017. <https://www.sustainableagriculture.eco/blog/2017/11/9/is-saving-water-enough-5tss3>

²¹ [Accountability Framework](#), Core Principles, 2

birth, with at least six of these weeks being taken after birth. ²²		
9. Discrimination²³ is not occurring.		
There shall be no discrimination related to employment or occupation.		
9.1.	Legal requirements related to discrimination in employment shall be complied with.	L
9.2.	Discrimination in relation to employment and occupation shall not occur. ²⁴	C
9.3.	Organisation should actively work to prevent discrimination.	B
10. Employment is responsible and considers minimum and living wage.		
Recruitment and employment shall be conducted according to legal requirements or higher standards.		
10.1.	Legal requirements related to recruitment and employment shall be complied with.	L
10.2.	Recruitment shall take place in a way that avoids discrimination and ensures a fair and transparent process. ²⁵	C
10.3.	A grievance mechanism is available for workers. ²⁶	C
10.4.	Legal requirements related to wages and other payments shall be complied with.	L
10.5.	Responsible remuneration is adopted. ²⁷	C
10.6.	A living wage approach to fair compensation should be implemented. ²⁸	B
11. Workplaces are safe and healthy.^{29 30}		
The workplace shall be safe and healthy, and the employer shall ensure that workers have access to and use appropriate Personal Protective Equipment, commensurate with the activities undertaken.		
11.1.	Legal requirements related to workplace health and safety shall be complied with.	L

²² SAN Standard, 2017. <https://www.sustainableagriculture.eco/blog/2017/11/9/is-saving-water-enough-5tss3>

²³ ILO [Discrimination \(Employment and Occupation\) Convention](#), 1958 (No. 111).

²⁴ Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C111

²⁵ See RS-09 Terms & Definitions.

²⁶ [Unilever Responsible Sourcing Policy](#), Principle 1.17, 1.18, 2.1, 2.4, 8.5, 10.1, 10.2, 10.3, 10.4, 10.7, 10.8

²⁷ OECD [Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#). See RS-09 Terms & Definitions

²⁸ [Accountability Framework](#), Core Principles 2; ILO, [International Labour Organization and the Living Wage: A Historical Perspective, 2017](#); ILO, [Estimating a living wage: A methodological review](#); Global Living Wage Coalition. [The Anker Methodology for Estimating a Living Wage](#).

²⁹ WHO, [Healthy workplaces: a model for action](#), 2010.

³⁰ [Accountability Framework](#), Core Principle 2; [Nestle Responsible Sourcing Standard](#), 2.3.2

11.2.	Production equipment and utilities shall be equipped with machine guards and emergency stops and undergo routine preventive maintenance.	C
11.3.	The workplace shall be hygienic with adequate lighting, ambient temperature, ventilation, sanitation, potable drinking water, sanitary facilities, and food storage.	C
11.4.	Workers shall receive appropriate and recorded safety and health training prior to starting work and on a regular basis thereafter. Such training includes the awareness of the risks and working procedures related to the task, adequate usage of work-related tools, machines, stations, and Personal Protective Equipment.	C
11.5.	Personal Protective Equipment and tools, shall be available to and used by workers, be in good condition, and appropriate for the purpose.	C
11.6.	Workers handling chemicals shall have access to appropriate facilities for cleaning and washing.	C
11.7.	Workers shall have access to first-aid equipment, as well as medical services in case of emergencies.	C
11.8.	Organisation should actively promote a healthy and safe work environment.	B
12. Employer-provided housing shall be safe and hygienic. Where housing is provided it shall be provided according to legal minimum requirements or higher.		
12.1.	Legal requirements related to housing of workers shall be complied with.	L
12.2.	Organisation should provide housing to workers if no affordable or safe accommodation is otherwise available.	C
12.3.	If workers' pay for housing, the cost of housing shall be commensurate with the pay and comparable to similar housing in the area/industry.	C
12.4.	Employer-provided housing shall be safe and healthy. ³¹	C
12.5.	Procedures for emergency management, ensuring emergency exits, first-aid supplies, fire detection and suppression equipment, training and drills, shall be in place and implemented. ³²	C
12.6.	Organisation shall provide workers' families with access to medical services.	C

³¹ [Nestle Responsible Sourcing Standard](#), 2.3.3. see also NEPCon RS-09 Terms & Definitions

³² [Nestle Responsible Sourcing Standard](#), 2.3.1. See also NEPCon RS-09 Terms & Definitions

13. Gender equality is maintained and protected.³³ Gender equality shall be protected and promoted according to legal requirements or higher standards.	
13.1. Legal requirements related to gender-based discrimination shall be complied with. ³⁴	L
13.2. Irrespective of gender, there shall be equal remuneration for work of equal value. ³⁵	C
13.3. Opportunities should be explored to include women in work that promotes worker diversity and equal opportunity in the community.	B
14. Fair Pricing is implemented supply chains. Where Organisations are purchasing commodities or materials, they shall implement a policy for fair pricing. ³⁶	
14.1. Organisations shall pay at least a price to the producer that enable producers to meet requirements of this Framework, including paying workers at least the minimum “living wage”.	C
15. The rights of Indigenous Peoples are respected. The rights of Indigenous Peoples shall be respected according to the UN Declaration on the Rights of Indigenous Peoples ³⁷ and the ILO Indigenous and Tribal Peoples Convention ³⁸	
15.1. Legally recognised Indigenous People affected by land-use or other operations shall be identified.	L
15.2. Legally recognised Indigenous Peoples’ rights shall be respected.	L
15.3. The company shall define and identify Indigenous Peoples and their rights in accordance with ILO Convention 169 and the United Nations Declaration on the Rights of Indigenous Peoples even if the national regulations of the host state fails to fully recognize these rights, fails to recognize certain indigenous groups as collective rights-holders or uses terminology or classifications which excludes the term indigenous.	C
15.4. There are no unresolved claims by Indigenous Peoples of collective land titling.	C
15.5. A human rights due diligence process shall be carried out in accordance with principles 17-21 of the UN Guiding Principles	C

³³ ILO, C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

³⁴ [Accountability Framework](#), Core Principles, 2,

³⁵ ILO [Equal Remuneration Convention](#), 1951 (No. 100); [Accountability Framework](#), Core Principles, B2.

³⁶ Fair Trade Trader Standard. https://files.fairtrade.net/standards/TS_EN.pdf

³⁷ UN [Declaration on the Rights of Indigenous Peoples](#).

³⁸ ILO Convention 169. Indigenous and Tribal Peoples Convention.

https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C169

on Business and Human Rights ³⁹ , to identify actual or potential adverse impacts on Indigenous Peoples, at the earliest possible stage and prior to any activity which may affect indigenous peoples.	
16. Community rights are respected.⁴⁰ The rights of local communities shall be respected and promoted.	
16.1. Local communities affected by the operations of the Organisation shall be identified.	C
16.2. Legally recognised customary and community rights shall be identified and respected.	L
16.3. Organisation shall identify and respect the rights of local communities, where these are not legally defined.	C
16.4. Organisation shall provide reasonable opportunities for employment, training and other services to local communities.	C
16.5. Organisation shall identify and protect sites and resources within the area of operation, fundamental for satisfying the basic needs of local communities.	C
16.6. Organisation shall identify and protect sites, resources, habitats and of cultural, archaeological, or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities.	C
17. Remediation measures are implemented as appropriate Where the organisation has caused or contributed to adverse impacts to Indigenous Peoples', communities' or workers' rights, the organisation shall provide for remediation through an adequate, legitimate, and culturally appropriate mechanism	
17.1. Where the organisation has caused or contributed to adverse impacts to Indigenous Peoples', communities' or workers' rights, the organisation shall provide for remediation through an adequate, legitimate and culturally appropriate remedial mechanism which shall be defined in agreement with the affected parties' legitimate representatives.	C
17.2. The organisation shall establish an effective grievance mechanism that adheres to the Effectiveness Criteria of the UN Guiding Principles on Business and Human Rights.	
17.3. The Organisation shall develop a plan for remediation that includes clear geographic and timebound targets for implementation. Remediation plans shall be:	C

³⁹ UN Guiding Principles of Business and Human rights.
https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

⁴⁰ FSC, [Principles and criteria for forest stewardship](#) FSC-STD-01-001 V5-2 EN, Principle 4; PEFC, [Sustainable forest management requirements](#), Criterion 6.

	<ul style="list-style-type: none"> a) developed in consultation with stakeholders; b) developed and implemented in collaboration with relevant experts; <i>and</i> c) made available to the public 	
17.4.	<p>Outcomes of the mutually agreed remediation process shall as a minimum:</p> <ul style="list-style-type: none"> a) Ensure a prompt cessation of violating actions and provide a credible guarantee that they are not repeated. b) If possible, provide full restitution and where full restitution is not possible provide just, fair and prompt compensation. c) Benefit entire communities or groups rather than individual people. 	C
17.5.	<p>The Organisation shall not divest its interests in land to avoid remediation or until outstanding grievances are fully resolved, or obligations have been legally transferred to another party (e.g., the new owner).</p>	C
17.6.	<p>If the Organisation has or is acquiring interests in commodity-producing properties, it shall remediate past harms, unless this responsibility is legally held by another party.</p>	C
<p>Principle 3: Nature and the environment are protected.</p> <p>Measures shall be implemented to ensure that forests and other natural ecosystems are not converted to other land uses or degraded due to the impacts of operations. Also, action shall be taken to protect the environment through conservation measures, as well as measures to reduce the negative impacts on soil and water resources.</p>		
<p>18. Natural ecosystems are protected from degradation and conversion.</p> <p>The activities of the Organisation shall not contribute to deforestation and conversion of natural ecosystems to other land uses. Land-use planning, and management shall take place in a way that protects or restores natural ecosystems.</p>		
18.1.	<p>Legal requirements relating to the conversion of natural forests or other natural ecosystems shall be complied with.</p>	L
18.2.	<p>Legal requirements related to environmental impact assessments shall be complied with.</p>	L
18.3.	<p>Legal requirements for the use of fire as a land preparation and management tool shall be complied with.</p>	L
18.4.	<p>Deforestation of natural forests or conversion of other natural ecosystems is not taking place.</p>	C

	<ul style="list-style-type: none"> a) For perennial crops, the plants shall not have replaced natural vegetation within the last 10 years and must be at least at the second rotation. b) For annual crops, the farms shall not have replaced natural forest or ecosystems within the last 10 years. c) There shall be no conversion of peat soils for agricultural or plantation purposes. d) Procedures to avoid fires in the context of deforestation and conversion shall be developed and implemented. e) Activities to stop or protect against the conversion of non-forest natural ecosystems to agriculture, plantation forestry, intensive livestock production, or other land uses shall be implemented. This includes taking appropriate measures to support the long-term protection of natural ecosystems in the area of influence. 	
19. High Conservation Values (HCVs) are identified and protected. High Conservation Values shall be identified, protected and enhanced.		
19.1.	Legal requirements relating to biodiversity protection, protected sites, and protection of endangered/protected species shall be complied with.	L
19.2.	Animals that are endangered or protected shall not be hunted, killed or held captive.	C
19.3.	The Organisation shall conduct an assessment to identify the presence of HCVs. ^{41 42}	C
19.4.	The Organisation shall develop and implement strategies to protect the identified HCVs.	C
19.5.	The Organisation should develop and implement strategies to enhance the identified HCVs.	B
19.6.	Identification, protection, and enhancement activities relevant to HCVs shall be carried out in consultation with relevant and/or affected stakeholders and experts.	C
19.7.	Organisation shall regularly monitor any changes in the status of High Conservation Values and adapt management to secure continued protection. The monitoring shall be proportionate to the scale, intensity and risk of activities.	C
20. Chemicals are used cautiously with minimal negative impacts. The use of chemicals shall be avoided where possible and – where used as agents to control weeds and pests or for fertilisation – shall be applied in ways that protect human health, as well as ensuring minimal impacts on the environment.		

⁴¹ HCVF Resource Network, 2013, [Common guidance for the identification of High Conservation Values](#).

⁴² FSC, [High Conservation Values and Biodiversity](#).

20.1.	Legal requirements relating to chemical use and storage shall be complied with.	L
20.2.	Legal requirements relating to the use and storage of petroleum-based products shall be complied with.	L
20.3.	Organisation shall meet the requirements of the WHO International Code of Conduct on Pesticide Management – Guidelines on Highly Hazardous Chemicals ⁴³	C
20.4.	Chemical drift, run-off or spills shall be effectively controlled.	C
20.5.	<p>Organisation shall apply chemicals with known risks for pollinators only if:</p> <ul style="list-style-type: none"> a) Less toxic pesticides are not available; b) Exposure to natural ecosystems is minimised; <i>and</i> c) Contact of pollinators with these substances can be minimised. 	C
20.6.	Organisation should promote organic or low chemical use production and actively seek to replace chemicals with alternative components/ingredients.	B
21. Waste is reduced and managed appropriately.		
Waste from production or activities related to production shall be managed and minimised.		
21.1.	Legal requirements relating to waste and residue management shall be complied with.	L
21.2.	Wastewater from processing operations is not discharged into aquatic ecosystems unless it has undergone treatment.	C
21.3.	Untreated sewage shall not be discharged into aquatic ecosystems.	C
21.4.	Waste storage, treatment and disposal practices shall not pose health or safety risks to farmers, workers, other people, or natural ecosystems.	C
21.5.	Waste shall not be burned, except in incinerators technically designed for the specific waste type.	C
21.6.	A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, should be developed and implemented.	B
22. Water resources are protected and used efficiently.		
Where water is used as part of the production system, the Organisation shall ensure that legal requirements are met – as well as ensure that any water use and impacts on water resources are managed.		

⁴³ WHO, [International Code of Conduct on Pesticide Management Guidelines on Highly Hazardous Pesticides](#).

22.1.	Legal requirements for use of water (surface or ground water) shall be complied with.	L
22.2.	Organisation shall optimise use of water and reduce potential negative impacts on production and the surrounding environment.	C
22.3.	<p>Organisation should have in place a water management plan that includes the following:</p> <ul style="list-style-type: none"> a) Measurement and monitoring of water resources b) Set target for water management c) Define actions to achieve targets d) Set timelines to reach targets e) Resource allocation. 	B
22.4.	The Organisation should use best available techniques or new innovative ideas to optimise water use. ⁴⁴	B
22.5.	The Organisation should promote water efficiency and avoid water pollution.	B
23. Soil is conserved and managed appropriately. Organisation shall ensure that any negative impacts on soils are managed and minimised.		
23.1.	Legal requirements related to soil management are complied with.	L
23.2.	Organisation shall reduce water and wind erosion through practices such as ground covers, mulches, re-vegetation of steep areas, terracing, filter strips, or minimisation of herbicide use to protect soils. ⁴⁵	C
23.3.	The Organisation should select and implement tillage and cultivation practices that maintain or improve the physical, chemical, and biological condition of soil and minimise soil erosion.	B
23.4.	The Organisation should manage crop nutrients and soil fertility through rotations, cover crops, and the application of plant and animal materials.	B
23.5.	The Organisation should manage plant and animal materials to maintain or improve soil organic matter content in a manner that does not contribute to contamination of crops, soil, or water by plant nutrients, pathogenic organisms, heavy metals, or residues of prohibited substances.	B

⁴⁴ See the International Water Stewardship Standard, https://mk0a4wsorgk6akjsiboq.kinstacdn.com/wp-content/uploads/2019/03/AWS_Standard_2.0_2019_Final.pdf

⁴⁵ SAN Standard, Principle 3. <https://www.sustainableagriculture.eco/blog/2017/11/9/is-saving-water-enough-5tss3>

23.6. Organisation should reduce soil compaction through no-till or reduced-tillage farming, low pressure tyres, and/or restrictions on vehicle size and access times and locations.	B
24. Animal health and welfare is secure. ^{46 47} The health and welfare of animals shall be ensured and protected.	
24.1. Legal requirements relating to animal health and welfare shall be complied with.	L
24.2. Animal health and well-being is supported and promoted, through the following: <ul style="list-style-type: none"> a) Biological, chemical and physical risks for animals and workers shall be minimised. b) Best practices for animal feeding and breeding shall be used. c) Animals of robust breeds adapted to local conditions and farming systems shall be selected, and breeds associated with health and welfare problems (e.g. conformation and excessive growth rate) shall be avoided. d) Cloned or genetically modified animals and their derivatives in the feed/ food chain shall not be used. e) The stocking rate and rotation of on-farm forage production is managed to maintain healthy and productive livestock feeding and reduce parasite contamination. f) Animal drinking water and feeding sources shall not be contaminated by on-farm effluents. g) All staff engaged in animal management shall have the necessary experience, skills and training to ensure best practices are used. h) Good husbandry systems and practices shall be used to prevent occurrence of diseases and to minimise the use of veterinary drugs. 	C
24.3. Transportation of live animals shall comply with the five freedoms of the World Organisation for Animal Health: ⁴⁸ <ul style="list-style-type: none"> a) Freedom from hunger, thirst and malnutrition; b) Freedom from fear and distress; c) Freedom from physical and thermal discomfort; d) Freedom from pain, injury and disease; and e) Freedom to express normal patterns of behaviour of farmed animals. 	C

⁴⁶ OIE, [Terrestrial Animal Health Code](#).

⁴⁷ Nestlé [Responsible Sourcing Standard](#).

⁴⁸ <http://www.oie.int/en/animal-welfare/animal-welfare-at-a-glance/>

25. Natural ecosystems are restored as appropriate. Where the operations have caused adverse environmental impacts, the organisation shall implement measures to restore and rehabilitate forest or ecosystems that have been impacted negatively.	
25.1. The Organisation shall analyse and evaluate the deforestation or ecosystem degradation impacts in areas affected by the operation, including the analysis and evaluation of current land uses and land tenure/ownership, and identification of affected stakeholders.	C
25.2. Based on the consultation and evaluation the organisation shall select a suitable site or landscape for restoration.	C
25.3. The evaluation shall include engagement of stakeholders, to include considerations of long-term goals of forest restoration and include the interests of all stakeholder groups	C
25.4. The Organisation shall develop and implement a restoration management plan, including: <ul style="list-style-type: none"> a) preparing a topographic land-use map, including a designation of ecosystem functions and assessment of accessibility; b) existence of natural regeneration and needs for planting; c) agreeing on restoration/rehabilitation objectives; d) selecting the restoration/rehabilitation method; e) choosing the species to be used; f) establishing a nursery; <i>and</i> g) assessing possible positive and negative social and environmental impacts. 	C
25.5. The Organisation shall assess capacity-building needs and plan and implement the necessary training.	C
25.6. The Organisations shall establish realistic time schedules and plan for financial requirements.	C
25.7. The Organisation shall monitor restored/rehabilitated areas, and conduct maintenance activities as required	C

Principle 4: Climate impacts are minimised and mitigated.	
<p>Where activities have a high potential for climate change impacts, the Organisation shall ensure its climate footprint and related impacts are assessed and managed responsibly. Climate adaptation is considered in cases of high risk for operations and efforts are made as feasible for positive impacts through carbon removal and restoration.</p>	
26. Climate impacts are identified and quantified.	
<p>The Organisation shall identify key emission sources that may lead to significant negative climate impacts and quantify the emissions, where feasible.</p>	
26.1. The Organization shall identify key emission sources, considering land-use change, and energy and materials use.	C
26.2. At minimum, the most significant emissions shall be included, considering the scope of the organization's activities. The organization shall justify its inclusion or exclusion of the emission sources.	C
26.3. The Organisation shall quantify its climate impacts, including GHG emissions, appropriate to the scale, intensity, and risk of its operations.	C
26.4. Where such quantification cannot feasibly be performed, the Organisation shall describe and justify such exclusions.	C
27. Steps are implemented for climate change mitigation.	
<p>The Organization shall establish and implement a plan to minimize the negative climate impacts and evaluate the needs for climate change adaptation, depending on the risks.</p>	
27.1. The Organization shall undertake efforts to reduce negative climate impacts resulting from its activities.	C
27.2. Targets shall be established with a focus on reducing negative climate impacts and reduction of GHG emissions for the key areas as identified by the Organization.	C
27.3. The organization shall monitor the progress of achieving its climate change mitigation targets over time and shall implement adjustments when necessary.	C
27.4. If offsetting is used, the Organisation shall identify and document any standards used to generate carbon offsets, and the amount of offset credits purchased and used.	C
27.5. If applicable for the organization, it shall comply with national and/or international regulations concerning emission reduction targets for applicable climate change factors and actions.	C

27.6. Organizations in the supply chain should identify suppliers that may contribute to mitigating climate change and should proactively engage with their suppliers to take an active role in facilitating positive climate action.	B
27.7. Organizations in the supply chain should develop and share actions plans with key suppliers demonstrating how the suppliers may reduce negative climate change impacts.	B
28. Climate change adaptation efforts are proportionate to the risks and anticipated impacts. The organization shall evaluate risks resulting from climate change that may endanger the sustainability of its operations and shall consider and implement appropriate climate adaptation measures, if relevant and applicable.	
28.1. The organization shall evaluate key risks for its operations in relation to climate change.	C
28.2. Measures for climate change adaptation shall be implemented for areas of high risk and proportionate to the scale of the operations and anticipated social, economic, and environmental impacts.	C
29. Efforts are taken for carbon removal and ecosystem restoration as appropriate. The organization shall consider in justified cases, the opportunities for carbon removal and ecosystem restoration and implement related activities when feasible and relevant.	
29.1. The organization should consider and develop activities to increase GHG removals based on land-use practices and manage carbon stocks to reduce negative climate change impacts over time.	B
29.2. The organization should seek to further enhance its positive climate impacts through appropriate restoration activities, with a focus on regaining ecological functionality and enhancing human well-being, with a consideration to the reference ecosystem and the changing environmental, social and economic conditions of the area.	B

PART B: SYSTEM AND DUE DILIGENCE REQUIREMENTS

The following contains two sets of requirements related to the systems needed to implement Sustainability commitments, and requirements for due diligence system.

The two sets of requirements are:

1. **System requirements** – requirements to secure a consistent implementation and quality control of activities aimed at achieving the commitments.
2. **Due diligence requirements** – requirements for implementing a risk-based due diligence system, applicable to organisations sourcing materials or products.

B1: System requirements

1. Setting commitments

- 1.1. The Organisation shall have commitments to producing, processing and/or sourcing responsibly. The commitments shall be:
 - a) written;
 - b) publicly available; *and*
 - c) supported at the executive level of the Organisation who are accountable for meeting the commitments.
- 1.2. The Organisation shall identify relevant commitments, including consideration of:
 - a) compliance or regulatory requirements;
 - b) ownership or control and ability to influence;
 - c) stakeholder needs and priorities;
 - d) potential social or environmental impacts of the Organisation's activities; *and*
 - e) strategy of the Organisation.
- 1.3. The Organisation shall define the scope of its commitments, by one or more of the following:
 - a) origin or area;
 - b) commodity, or (as relevant) crop or species;
 - c) product or component;
 - d) supply chain characteristics (where applicable);
 - e) brands or labels; *and*
 - f) timeline for implementation.
- 1.4. Selected commitments shall be formulated to achieve equivalence or exceed the corresponding Sustainability Principles, as outlined in PART A.
- 1.5. Commitments shall be embedded into decision-making processes, systems, and performance metrics of core business units (e.g., procurement) and of operational units, agents, affiliates and subsidiaries at all applicable levels of the Organisation.⁴⁹

⁴⁹ [Accountability Framework](#)

- 1.6. Stated targets, milestones, and associated Sustainability indicators (from PART A) shall be specific enough so that progress and claims can be objectively assessed, both internally (within the Organisation and its supply base) and by external parties.⁵⁰
- 1.7. The Organisation shall actively communicate relevant commitments and related requirements to relevant stakeholders.
- 1.8. The Organisation shall ensure the commitments are implemented according to the declared scope and timelines.

2. Stakeholder engagement

- 2.1. Organisation shall identify stakeholders affected by the operations.
- 2.2. Organisation shall ensure that identified stakeholders have access to relevant information about the operations that may affect them.
- 2.3. Organisation shall actively engage stakeholders through consultation and respect their rights to meaningful and effective participation about matters that affect them.⁵¹ The Organisation shall develop and implement a stakeholder engagement procedure that includes the following elements:
 - a) Stakeholder identification or mapping; *and*
 - b) Inclusion of stakeholders in the implementation of the commitments as appropriate.

3. Responsibilities and competence

- 3.1. The Organisation shall appoint a person or position as having overall responsibility for conformance with all applicable requirements of this Framework.
- 3.2. The appointed person/position shall have sufficient authority and resources to ensure that requirements are met.
- 3.3. The Organisation shall designate individual responsibilities for all applicable elements of the Organisation's commitments.
- 3.4. All relevant personnel shall demonstrate awareness of, and competence in, implementing the Organisation's commitments.

4. Procedures and systems

- 4.1. The Organisation shall have written procedures relating to implementation of its commitments; with these being adequate and proportionate, and covering all applicable elements of this Framework.
- 4.2. The Organisation shall ensure that relevant procedures are communicated to relevant staff and that the staff have the capacity and resources necessary to implement them.
- 4.3. The Organisation shall ensure that all records relevant for demonstrating achievements towards its commitments are maintained for a minimum of five (5) years and available for internal and external evaluation.
- 4.4. If third-party certification is used to meet its commitments or part thereof, the Organisation shall confirm that third-party certification claims are valid, accurate and applicable to the scope of the commitments.

5. Internal quality management

⁵⁰ [Accountability Framework](#)

⁵¹ Accountability Framework, Core Principle 2. https://accountability-framework.org/wp-content/uploads/2020/03/Core_Principles-Mar2020.pdf

- 5.1. The Organisation shall conduct an evaluation of the effectiveness of its procedures and implementation, at a minimum annually, addressing the following:
 - a) evaluation shall be documented;
 - b) evaluation of the opportunities and constraints to implement selected commitments; *and*
 - c) evaluation of achievements towards meeting commitments.

6. Complaints and dispute management

- 6.1. The Organisation shall have and implement a complaints procedure to address substantiated external complaints related to its performance to meet commitments, including:
 - a) assessment of evidence provided in the complaint within two (2) weeks of its receipt;
 - b) in cases where evidence is considered relevant, implementation of appropriate corrective actions; *and*
 - c) maintenance of records of all complaints received and actions taken.
- 6.2. The Organisation shall have in place and implement a system to manage internal complaints.

7. Reporting and disclosure

- 7.1. The Organisation shall publish information, at least once per year, that demonstrates its progress toward meeting commitments. The information shall:
 - a) present quantitative and qualitative metrics of progress of implementation relative to the Organisation's publicly stated commitments;
 - b) indicate monitoring methodology, data sources, and how the information has been verified; *and*
 - c) include a summary of grievances and concerns received by the Organisation (or otherwise known through reasonable efforts by the Organisation) and its response to these.

8. Communications and claims⁵²

- 8.1. Organisations who have been verified as meeting all Legal (L) and Core (C) requirements of all applicable Commitment Indicators (PART A) and System Criteria (PART B), may use the NEPCon Seal and make on- and off-product claims about their verified status. Claims and seal use shall be:
 - a) associated with, and limited to, the specific commitment(s) and scope of achievements verified achievements; and
 - b) approved in writing by NEPCon.
- 8.2. Organisations who have been verified as meeting all Legal (L) and Core (C) requirements under specific commitment conformance indicators (selected criteria in PART A), may make claims about meeting these commitments. However, the organisation is not eligible to use the NEPCon verified Seal. Claims shall be:
 - a) associated with, and limited to, the specific commitment(s) and scope of verified achievements; and

⁵² NEPCon reserves the right to publish communications about the work with the Organisation, in accordance with the Service Agreement.

- b) approved in writing by NEPCon
- 8.3. Organisations working with NEPCon to meet only selected components or elements of this Framework, may make related public communications about this work. However, the organisation is not eligible to make product related claims, nor use the NEPCon Seal. Any communication shall:
 - a) include clear description of the scope of the collaboration with NEPCon;
 - b) specify the timeframe for engagement with NEPCon;
 - c) refer only to actual activities that have taken place; and
 - d) be approved in writing by NEPCon.
- 8.4. Organisations making communications about their work with NEPCon on the Sustainability Framework, shall agree to allow NEPCon to publish a reciprocal statement on NEPCon's website stating the type and scope of work.

B2: Requirements for due diligence

The following requirements are applicable only to organisations sourcing materials or products and which need to manage risks through a due diligence system.

1. Scope of due diligence system

- 1.1. The Organisation shall define and document the products within the scope of its DDS, in terms of:
 - a) origin;
 - b) species (where relevant);
 - c) Products and commodities;
 - d) supply chains; *and*
 - e) dates of entry to and exit from the scope for each product, as applicable.
- 1.2. The Organisation shall ensure that materials included within the scope of the DDS are not mixed with materials that are excluded from the scope of the DDS.

2. Access to information

- 2.1. The Organisation shall have and maintain the following information about products included within the scope of its DDS:
 - a) the type of product;
 - b) the common and scientific names of species, where relevant to the identification;
 - c) quantity of material produced or purchased and sold;
 - d) the country of origin and, where necessary, the sub-national region of harvest or the concession of harvest;
 - e) name and location of origin or supplier from where the Organisation has sourced material;
 - f) name and address of buyers to which the Organisation has supplied products; and
 - g) the certification/verification status of the material; *and*
 - h) the status of the material in case of sourcing recycled material (pre-consumer or post-consumer).
- 2.2. The Organisation shall ensure that information about its supply chains is sufficiently detailed to allow:
 - a) a clear understanding of origin of raw materials and products;
 - b) assessment of the opportunities and constraints to implement selected commitments; *and*
 - c) verification of achievements towards meeting commitments.
- 2.3. The Organisation shall have and maintain information that is:
 - a) necessary to assess and mitigate the risk that the commitments across the defined scope are not being met;
 - b) valid and verifiable; *and*

- c) related to the relevant product and/or supply chain.

3. Risk Assessment

- 3.1. The Organisation shall assess and specify the level of risk of non-conforming material or products being produced or entering the supply chain. The risk assessment shall⁵³:
 - a) document the risk assessment process and justify the degree of risk specified for each product or supply chain;
 - b) determine the level of risk as either low risk or specified risk;
 - c) be revised whenever there are changes to the risks; *and*
 - d) be reviewed at least annually.
- 3.2. The Organisation shall assess relevant source or supply chain information to ensure that:
 - a) information is relevant to indicate conformance with Legal and Core indicators;
 - b) information is valid and verifiable; *and*
 - c) information can be related to the relevant product or supply chain.
- 3.3. Where an Organisation uses third-party certification systems to meet commitments, it shall ensure that the scheme provides assurance of low risk related to the relevant indicators, as well as can ensure absence of mixing of non-conforming material/products in the supply chain.
 - a) The Organisation shall make a record of the evaluation of the certification system.
 - b) Any gaps or risks identified in the evaluation of the certification system shall be mitigated.
- 3.4. Where a certification system is used, following an Organisation's conclusion that it fulfils the requirements, the Organisation shall also:
 - a) confirm that all information required by the specific system has been gathered for each certified product; *and*
 - b) ensure the information related to the certification claim is valid and accurate.
- 3.5. The Organisation shall document the risk assessment process and provide justification for the level of risk specified for each individual origin or supply chain.
- 3.6. The risk assessment shall determine the level of risk as either *low risk* or *specified risk*.
- 3.7. The risk assessments shall be reviewed at least annually and revised whenever changes occur that alter the risk characteristics.

⁵³ See the NEPCon Sourcing Hub: <https://www.nepcon.org/sourcinghub>

4. Risk mitigation

- 4.1. The Organisation shall not source nor produce materials or products from countries with sanctions imposed – by the UN Security Council or EU Council – on imports or exports, or other bans applicable in the country of operation.
- 4.2. The Organisation shall not source nor produce materials or products from countries or sub-national regions with prevalence of armed conflicts for which conflict materials may be a risk.
- 4.3. The Organisation shall develop and implement efficient and justified measures for mitigating any specified risks.
- 4.4. The Organisation shall discontinue relationships with suppliers in cases of major or continuous violations of the requirements of this Framework, including:
 - a) excluding supply and/or suppliers from its sourcing or production where significant and/or continuous non-conformance is identified; *and*
 - b) ensuring that material is not sourced from the supply chain or area in question until risks have been mitigated.
- 4.5. Where the Organisation identifies that products have been sourced or sold prior to risk being mitigated, it shall:
 - a) immediately cease to sell any remaining products held in stock;
 - b) advise relevant customers in writing, as appropriate and in a timely manner, and maintain records of that advice;
 - c) analyse causes and implement measures to prevent re-occurrence;
 - d) notify NEPCon; *and*
 - e) mitigate the causes and allow NEPCon to evaluate actions taken.

About NEPCon

NEPCon (Nature Economy and People Connected) is an international non-profit organisation working to support better land management and business practices that benefit people, nature and the climate in 100+ countries around the world. We do this through innovation projects, capacity building and sustainability services. We focus on forest and climate impact commodities and related sectors, such as tourism.

We are accredited certifiers for sustainability schemes such as FSC™ (Forest Stewardship Council™), PEFC (Programme for the Endorsement of Forest Certification), RSPO (Roundtable on Sustainable Palm Oil), Rainforest Alliance Sustainable Agriculture and SBP (Sustainable Biomass Program). We also certify to our own LegalSource™, Sustainable Tourism and Carbon Footprint Management standards. A self-managing division of NEPCon promotes and delivers our certification services. Surplus from certification activities supports NEPCon's non-profit activities.

NEPCon is recognised by the EU as a Monitoring Organisation under the EU Timber Regulation.

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