

1. Benchmarking Summary

Preferred by Nature Sustainability Framework, and Forest Stewardship Council Forest Management Standard

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Objective

The [Sustainability Framework](#) has been developed by Preferred by Nature to explain what our organisation considers critical topics for sustainability. It covers four broad areas and includes sustainability criteria and related indicators for each. The generic framework is applicable to all commodities, as well as both large and small organisations. It works as a single universal framework, which can be further adapted to each commodity and different types and sizes of operations, enabling relevant and focused application.



Sustainability is a complex concept, and the Sustainability Framework has been developed as a practical tool to help define and align approaches, serving as a guidepost on the sustainability journey. We also recognise that we have been inspired in developing the framework by many other likeminded organisations, working for a more sustainable future.



Preferred by Nature has reserved the use of our hummingbird sustainability seal for products that comply with the Sustainability Framework. However, we seek to add value and avoid duplication. We want to recognise the efforts already achieved and certified under other sustainability schemes. The framework partly overlaps with several other sustainability schemes.

To enable certified companies to benefit from their existing certifications, the differences between the existing schemes and the Sustainability Framework must be identified. Indicators in the Sustainability Framework that are not covered by the scheme, can then be verified as an add-on to the scheme requirements when organisations would like to use the seal and claim compliance with the Sustainability Framework.

We have developed a benchmarking guidance for the Sustainability Framework and are conducting comparison with some of the core scheme standards we are working with. This document summarises the benchmark results for comparison with the Forest Stewardship Council™ (FSC™) standards for forest management.

About FSC

Forest Stewardship Council (FSC) certification aims to ensure sustainable forest management worldwide. FSC has developed a forest management sustainability standard through a stakeholder led process. The standard is a combination of globally applicable 10 Principles and related Criteria (FSC P&C) and International Generic Indicators (IGIs). FSC P&C and IGIs are the basis for developing national (or regional) forest management standards, which are the basis for auditing.

Compliance with the standards is checked by independent Certification Bodies (CBs), who must be accredited by Assurance Services International (ASI) to conduct FSC certification. Forest managers who comply with FSC requirements, can sell the timber as being FSC certified. Companies who purchase and process FSC certified material and want to sell it as being FSC certified, must have an FSC chain of custody (COC) certificate. The FSC COC standard focuses mainly on product traceability and integrity in product labelling, however it also has some requirements for social compliance by the entities in the supply chain. We have also benchmarked the Sustainability Framework with the sustainability related requirements in the FSC COC standard (see separate document for the summary).

FSC has three types of product claims and related labels:

- **FSC 100%** - Indicates all material is originating from FSC certified forest
- **FSC Mix** - Indicates products made from a mix of material from FSC certified forests and other material. In case the other material is not recycled, it must comply with the FSC Controlled Wood standard. We have also benchmarked the Sustainability Framework with the CW standard (see separate file for the summary).
- **FSC Recycled** – Indicates products from verified recycled material.

FSC is a member of ISEAL, an international umbrella organisation setting best practices for sustainability schemes.

Preferred by Nature and FSC

Preferred by Nature has worked with FSC certification for several decades, initially as subcontractor to another accredited certification body and since 2014 as independently accredited certification body. We regard FSC forest management certification as a high bar sustainability scheme for sustainable forest management. We believe FSC certification is driving positive change in many parts of the world through the certification process.

Among all the FSC certification bodies, Preferred by Nature has certified biggest share of the FSC certified forest area globally. We are active members of FSC community and are also participating in various technical FSC working groups. As of February 2022, Preferred by Nature is managing over 3,300 active FSC chain of custody (COC) certificates and over 500 FSC forest management (FM) certificates with total forest area of over 80,000,000 hectares.

Benchmarking process summary

The benchmark process was conducted based on Preferred by Nature [procedures](#) for Sustainability Framework benchmarking. A summary of the process is given below.

The Preferred by Nature Sustainability Framework was compared with FSC forest management standard. We used the Forest Stewardship Council (FSC) global Principles and Criteria (P&C) and related International Generic Indicators (IGIs) as the basis for the comparison. We realise national and interim standards may have additional details, however comparison against all national standards would not be feasible as part of this exercise.

The comparison was done on indicator level, comparing the coverage of Sustainability Framework indicators with the FSC IGIs. However, the objective is to clarify if the **intention of the criteria** in the Sustainability Framework is covered by FSC standards. We recognise that differences exist in the language used as well as in details on how the various sustainability topics are addressed. It would not be reasonable to expect verbatim overlap on the indicator level.

Also, it should be noted that FSC as forestry specific standard is has more details in some respects than the Sustainability Framework. This benchmark only summarises gaps in FSC standard, compared with the Sustainability Framework, recognising that gaps may exist also in the Sustainability Framework compared with FSC standard.

FSC standard and the EU Proposal for Regulation on deforestation-free products

In addition to benchmarking the FSC FM standard against the Sustainability Framework, we have included evaluation of how the FSC standard is considered to meet the Proposed EU regulation on deforestation-free products¹.

This evaluation was done by using the Regulation's definitions of legal timber harvesting, deforestation-free, degradation and sustainable forest management, as defined in Article 2 of the Proposed Regulation. In the Sustainability Framework we have marked specific indicators, that we believe are also mentioned by these definitions, and used these as basis for the benchmarking. It should be noted that the interpretation of the EU proposal for Regulation, is Preferred by Nature's and is not formally recognised by the EC.

The overall finding is that FSC covers both the legality definition, as well as the definition of deforestation free, except for the issue that the FSC FM standard, does not include any indicator addressing armed conflict, which is specifically included as a risk indicator of the proposed EU regulation.

¹ https://ec.europa.eu/environment/publications/proposal-regulation-deforestation-free-products_en

2. Summary results of the SF-FSC benchmark

The benchmark results for the Sustainability Framework-FSC benchmark are presented on criteria level, using the colours as explained in Table 1, below.

Table 1: Classification of the benchmark results

Colour	Explanation	Conclusion for the purpose of Sustainability Framework conformance based on FSC audits
	Fully covered. The contents and intention of all indicators in the Sustainability Framework are addressed. Differences may still exist in wording and structure of how topics are presented.	Considered to be covered by the standard.
	The intention of the criterion is covered . There may be differences or gaps in individual indicators within a criterion, but we think that the overall intent of the relevant criterion is addressed.	Considered to be covered by the standard.
	Some aspects are not covered and need to be considered additionally. In this case, we have specified the indicators that would need to be considered in addition to the FSC standard, for compliance with the Sustainability Framework.	Some aspects need to be verified in addition to FSC requirements.
	Intention of the criteria not addressed in the benchmarked standard. The indicators of the Sustainability Framework need to be used to verify compliance.	The topic needs to be verified in addition to FSC requirements.
	The criterion is considered not applicable for the sector or commodity of the benchmarked standard.	Not applicable for the benchmarked standard.

Benchmark results - summary

The table below presents a summary of the coverage of Sustainability Framework criteria, based on the classification explained above. Remarks have been provided about missing aspects.

No	Sustainability Framework Principles and Criteria	Status	Remarks on coverage in FSC IGI (FSC-STD-60-004 V2-0 EN)
1	Management and business practices are responsible		The benchmarking assessed 34 indicators. In general, Principle 1 of the Sustainability Framework is well aligned with FSC.
1.1	Land tenure and management rights are secure		All requirements are fully covered.
1.2	Management and operations are conducted responsibly		The intention of this criteria is addressed by the FSC standard, including consideration of what FSC considers to be relevant for legal compliance.

			Partly covered or missing aspects include specific requirements on disclosure of information related to business transactions.
1.3	Taxes and fees are paid		All requirements are fully covered.
1.4	Corruption and conflict of interest are avoided		Some critical aspects are missing. Partly covered or missing requirements include identification and declaration of conflict of interest and legality regarding fraud and bribery are mentioned within the context of 'concession licences' not outside of it. Additional verification indicators: 1.4.3 Conflicts of interest are identified and declared.
1.5	Trade and transport are conducted legally and responsibly		The intention of this criterion is covered. There is only one indicator not directly addressed, regarding the maintenance of contracts with suppliers and buyers.
1.6	Buildings, infrastructure and activities are developed and maintained in a responsible manner.		This criterion is Not Applicable
1.7	Quality of customers and visitors experience is continuously improved.		This criterion is Not Applicable
2	Peoples' well-being and human rights are respected		59 indicators were assessed. The benchmarking concluded that majority of requirements are met, particularly child labour and community rights are completely covered. Few areas were identified, where some Sustainability Framework topics are not fully included, namely in relation to some safety aspects and employer provided housing.
2.1	Human rights are respected.		The intention of this criteria is covered. Some requirements related to international human rights in the Sustainability Framework and the EUDR (2023) go beyond the Indigenous People's Rights and Worker's Rights, to which the FSC IGI is limited.
2.2	Child labour is not present, and employment of young workers is responsibly managed		All requirements are fully covered.
2.3	Modern slavery, forced or compulsory labour do not occur		The intention of this criterion is well covered although some minor gaps in relation to specific indicators on prohibition of human trafficking and workers right to terminate their employment were found.
2.4	Workers' rights are respected		Some critical aspects are missing in relation to overtime not exceeding 60 hours, rest time and time off. Some others in relation to privacy rights of workers, migrant workers and hiring of seasonal workers are also not covered. Additional verification indicators:

			<p>2.8.5 Overtime is voluntary and does not result in a work week exceeding 60 total hours, except under circumstances of shorter duration where additional labour is required.</p> <p>2.8.7 The privacy rights of workers are respected, including, but not limited to, whenever an employer gathers private information or implements employee-monitoring practices.</p> <p>2.8.10 Responsibilities towards workers are not avoided, by hiring de facto permanent, long-time, full- time workers under seasonal or temporary contracts.</p> <p>2.4.12 Migrant workers are ensured equality of opportunities and no less favourable treatment than local workers.</p>
2.5	Discrimination does not occur		All requirements are fully covered.
2.6	Workers are remunerated in a responsible manner		We find the intend of this criterion well covered although some minor gaps in relation to direct payment to workers and the requirements for provision of employer services to not exceed market prices were found.
2.7	Facilities, operations and activities are safe.		<p>Some related aspects are not directly covered in the FSC IGIs. These are related to specific requirements for safety guards on equipment, first-aid equipment and the safety of expectant and nursing mothers. The FSC IGI refers broadly to the ILO Code of Practice "Safety and health in forestry work"². However, there are no indicators in the FSC IGIs that directly mentions important issues like safety of equipment such as e.g. chainsaws, or requires first aid equipment to be accessible to forest workers. These are found to be important issues that could be covered more directly in the FSC standard. We realise some of these may be detailed in national standards, however for this summary we rely on FSC IGIs. It is therefore concluded that the following indicators of the SF, should be considered for compliance with the Sustainability Framework compliance.</p> <p>Additional verification indicators:</p> <p>2.7.3 Indoor workplaces are hygienic with adequate lighting, temperature, ventilation, sanitation, drinking water, sanitary facilities, as well as break facilities, and food storage.</p>
2.8	Employer provided housing is safe and hygienic		<p>The topic of employer provided housing is not addressed explicitly in the FSC requirements. It is mentioned in the ILO Code of Practice on Health and Safety indirectly. We realise that in many cases this topic is not applicable for FSC forest management operations. However, there are also instances where long term logging camps are set up and where these requirements would be relevant to consider.</p> <p>Additional verification indicators:</p>

² https://www.ilo.org/global/topics/safety-and-health-at-work/normative-instruments/code-of-practice/WCMS_107793/lang-en/index.htm

			<p>2.8.3 If workers’ pay for an employer-provided housing, the cost of housing are commensurate with the pay and comparable to similar housing in the area/industry.</p> <p>2.8.5 Where workers, and their families, live in employer-provided housing the employer ensures that they have access to medical, educational, social services.</p>
2.9	Gender equality is maintained and protected		<p>The FSC standard contains a comprehensive set of requirements related to ensuring gender equality in the workplace, including ensuring a minimum of 6 weeks maternity leave, as well as paternity leave. There is a difference with Sustainability Framework, which includes a requirement for 4 weeks of paid leave. However, considering all the indicators in both standards collectively, we have concluded that the intention of the criterion is still covered.</p> <p>With regards to the SF requirement to comply with legal requirements for maternity leave, FSC does include in Criterion 1.3, that management of forests shall comply with all “applicable laws”. The legal rights to maternity leave is therefore concluded to be covered by this. However, it is noted that the FSC definition of “applicable laws, related to legal employment (as outlined in Principle 1, annex A, 3.5) specifies that applicable legislation relevant to legal employment is limited to “personnel involved in harvesting activities”, which would then exclude other staff of a forest operation. We suggest that this is a gap in the FSC legality definition, which potentially could be improved.</p> <p>Considering the general strong approach to gender equality issues and looking at all the indicators collectively, we found that the intend of the criterion is covered.</p>
2.10	The rights of Indigenous Peoples are known and respected.		All requirements are fully covered.
2.11	Communities are supported and their rights respected.		All requirements are fully covered.
2.12	Culture is respected and valued.		The intention of this criterion is covered. FSC’s High Conservation Values include protection of sacred sites of spiritual and cultural significance. Indigenous People’s culture is emphasised and there is not much detail on aspects of the larger domain of local culture.
3	Nature and the environment are protected		The benchmarking study assessed 47 indicators. Although there are several indicators not directly covered, they are not directly applicable for forestry. The study concluded that the protection of natural forests and other ecosystems and high conservation values are robustly covered. Use of chemicals and mitigation of its adverse impact is also well covered.
3.1	Forests and other ecosystems are not converted.		The intention of this criterion is covered by the FSC IGI, although some differences in nuances and approach were found.

3.2	Natural forests and other ecosystems are not degraded.		The intention of this criterion is covered by the FSC IGI. Legal requirements in non-forest areas are partly covered under the definition of 'Ecosystem services' from FSC glossary.
3.3	Ecosystems and biodiversity values are identified and protected.		All requirements in this criterion are covered.
3.4	Chemicals are used responsibly with minimal negative impacts.		FSC has overall a robust approach to use of chemicals. The Sustainability Framework contains some additional areas of focus, including specific indicators to avoid risk and harm to pollinators from chemical use. Also, use of fertilisers, which is common in management of some types of plantations, should be related to soil assessment. Although these are potentially areas for improvement, we found overall that the FSC IGIs in general cover the intent of the SF for relevant issues.
3.5	Waste is reduced and managed responsibly.		Some critical aspects are not covered, specifically, the requirement regarding cross-border transportation of hazardous waste. Other requirements in relation to reduction, recycling and reuse are partly covered. Additional verification indicators: 3.5.6 In case of cross-border transportation of hazardous waste, the requirements of Basel Convention are complied with.
3.6	Pollution is minimised or prevented.		The intention of this criterion is covered by the FSC IGI. Indicators on noise and light pollution are concluded as being "N/A" to FSC. Other requirements on land management to prevent pollution of nearby aquatic sources are fully covered.
3.7	Water resources are protected and used efficiently.		All requirements are fully covered.
3.8	Soil is conserved and managed appropriately.		The intention of this criteria is covered. Management of plant and animal material for soil biodiversity is not so directly addressed and it may be relevant in some cases. The requirements are related to water and wind erosion are marked "N/A".
3.9	Animal health and welfare is secure	N/A	The criterion is considered not applicable to forest management.
4	Greenhouse gas emissions are reduced		The benchmarking study assessed 8 indicators. While several indicators are not directly covered, the principle needs to be considered in the broader context of sustainable forest management practices prescribed by FSC, which by large would have favourable climate impacts.
4.1	Greenhouse gas emissions are reduced		The FSC standard does not include specific requirements for quantification, reduction, or offsetting of greenhouse gas emissions. Although it should be noted that some of it would be partly covered by the optional FSC module of ecosystem services which also covers climate impacts. However, we have concluded that by large sustainable forest management operations such as regulated by FSC, would not have significant negative climate impacts, if the entirety of FSC requirements are complied with and the forest areas are

			managed sustainably. We have thus concluded that the intention of this criterion is addressed through the entirety of the FSC requirements.
4.2	Climate change adaptation efforts are implemented proportionate to the risk		<p>The FSC requirements do not include direct requirements related to climate adaptation considerations. This may be critical for forestry operations in several regions, especially in the areas where climate change is expected to impact viable species composition for sustainable forestry. The importance of climate adaptation considerations is further emphasised by the fact that the decisions on species composition are made for long-term making the stands vulnerable to climate change impacts, usually decades into the future.</p> <p>Additional verification indicators:</p> <p>4.2.1 The key risks for operations resulting or potentially resulting from climate change are identified.</p> <p>4.2.2 Measures for climate change adaptation are implemented for areas of high risk and proportionate to the scale of the operations and anticipated social, economic, and environmental impacts.</p>
4.3	Efforts are taken for GHG removal and ecosystem restoration as appropriate		Although the FSC requirements do not cover the indicators fully, we consider the intention of this criterion to be addressed through the entirety of sustainable forest management practices within the FSC standard.

EUDR relevant Add-on indicators

1.2.4 Legal requirements related to disclosure of information are complied with.

3.5.1 Legal requirements relating to waste management are complied with.

EUCSDDD relevant Add-on indicators

3.5.6 In case of cross-border transportation of hazardous waste, the requirements of Basel Convention are complied with.