



Sustainability Framework

including generic indicators for sustainability and indicators for the EU deforestation regulation

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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 existing schemes largely overlap in their view on sustainability, the multitude of schemes has also led to parallel efforts and sometimes market barriers for smallholders and others.

Inspired both by existing sustainability schemes and the need to harmonise, the Preferred by Nature Sustainability Framework has been revised to provide a single framework for defining and benchmarking sustainability, that can be used across different commodities.

The framework consists of 4 principles and 20 criteria addressing different aspects of what we believe shall be considered before claiming something is sustainable.

The indicators of the Sustainability Framework have also been aligned with the draft requirements of the proposed EU Regulation on deforestation free supply chains. Organisations looking for a practical list of indicators to comply with the upcoming regulation, can use the indicators in the Sustainability Framework designated as being applicable for The Regulation to demonstrate compliance.

The Framework differentiates between indicators applicable to land-use operations (e.g., farms and *forests*) and which are relevant to *processing* and manufacturing entities. As such the framework can be used by any of these to implement sustainability commitments in their operations.

The Framework indicators capture the requirements for all scales of operations. Some of the indicators may not be feasible or applicable for small-scale operations. For practical implementation, the framework and its indicators

will be adapted to the scale of the operations, the intensity of its activities and to the related risks.

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 and tourism. It can also be used by processors, traders, retailers, and others to implement a due diligence program for sustainable sourcing throughout their *supply chains* for the chosen product scope.

As we benchmark the framework against existing certification schemes, our intention is to recognize the assurance that these already provide, rather than duplicate.

The generic Framework is supplemented by risk assessments in our Sourcing Hub 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 20 criteria.

In addition to risk adjustment of indicators specific to a source area, the Framework will be adapted to specific commodities or products to allow for more details on issues related to a specific type of commodity or product. E.g. adaptation to cattle will be required before the Framework is applied to evaluation of cattle *production*.

Organisations which have been verified by Preferred by Nature to address all the Framework criteria, will be eligible to use our Preferred by Nature Seal and make related on-product and business-to-business claims. Claims can be made related to specific products verified or the entire *supply chains* of an organisation, depending on the scope chosen by the organisation for implementation of its sustainability commitments.

About Preferred by Nature

Preferred by Nature is an international, non-profit organisation founded in Denmark 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.

Our Vision

A world where human choices ensure a sustainable future.

Our Mission

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

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The Sustainability Framework

Preferred by Nature's Sustainability Framework consists of four principles and 20 criteria. They have been revised to better 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. Indicators relevant for the proposed EU Regulation on deforestation free supply chains, have been indicated as such.

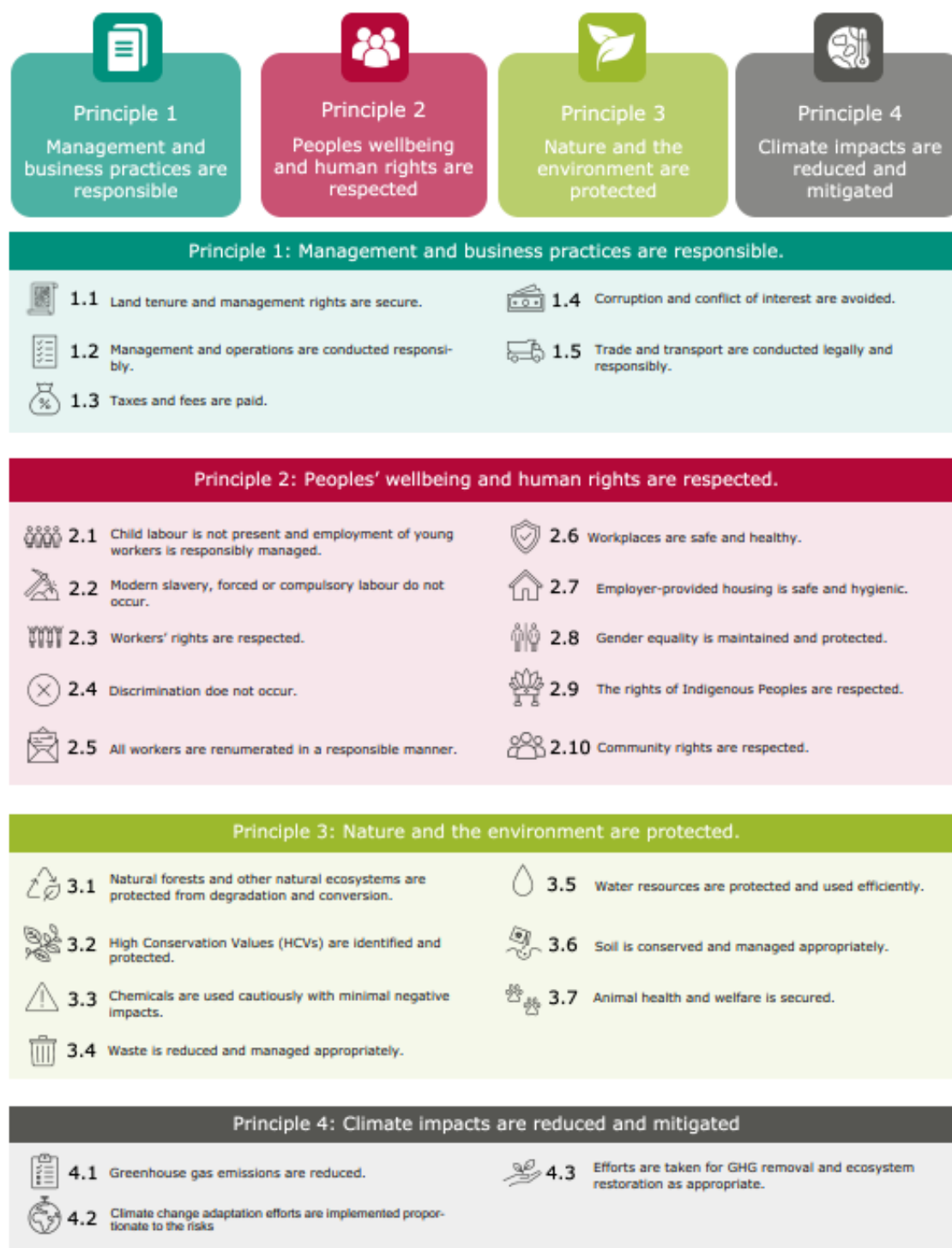


Figure 1: Overview of the Principles and Criteria of the Sustainability Framework

This framework document contains the Principles, Criteria and Indicators for setting and verifying sustainability commitments, structured as follows:

Table 1: Division requirements in Principles, Criteria and Indicators.

Principles	Fundamental sustainability elements that are considered globally relevant.
Criteria	Sustainability topics of global relevance to be considered under each principle.
Indicators	Quantitative or qualitative parameters that can be assessed in relation to a criterion. Indicators relevant for the proposed EU regulation on deforestation free supply chains are identified, as explained below.

The EU regulation on deforestation free products

The Sustainability Framework has also been revised to ensure alignment with the EU “proposal for a Regulation on deforestation-free products”¹ (The Regulation).

The Regulation requires that products that are included in the product scope of the proposed regulation are produced in compliance with relevant legislation and that they are deforestation-free.

The Regulation has some differences in how it addresses “deforestation-free” differently for agricultural commodities and for forest products. In the proposed regulation deforestation free means:

- a) that the relevant commodities and products, including those used for or contained in relevant products, were produced on land that has not been

subject to deforestation after December 31, 2020, and

- b) that the wood has been harvested from the forest without inducing forest degradation after December 31, 2020.

In order to address these requirements for agricultural commodities and wood products respectively, indicators of the Sustainability Framework are marked to show if they are relevant to the EU Regulation:

- a) Indicators marked with  are relevant for all commodities, including wood products.
- b) Indicators marked with  are relevant only for wood products.

The Sustainability Framework can be used to ensure alignment with the requirements of the EU Regulation on deforestation free products, by selecting the relevant indicators.

1

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



Scope

The Sustainability Framework can be applied to any land use (including *forests and farms*), or agricultural or natural resource *supply chain*, product, or commodity where its *production*, trade and/or harvest has an impact on nature, people and climate.

Organisations working with several commodities may choose to apply the Sustainability Framework on only some of them. However, land management *organisation* must ensure that all their *production* area for included commodities meets the Sustainability Framework requirements.

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

- a. **land managers or owners**, such as forest operations or farms
- b. **Processing facilities and manufacturing**, such as sawmills, factories etc.
- c. **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
 - o exporters
 - o distributors or service providers
 - o brands and retailers
- d. **investors or lenders** involved in the agriculture or forests products sectors.

Indicators have been assigned to both land-use practices and to *processing /manufacturing*, as shown in the two columns to the right of the indicator. This allows the Framework to be used for sustainability commitments throughout the *supply chain*.

Indicators applicable to land-use	Indicators containing the requirements relevant to land-use. These apply to <i>forest</i> , farm or other land managers.
Indicators applicable to processing	Indicators containing the requirements relevant for <i>processing</i> facilities, manufacturers or traders to meet their sustainability commitments.



Application

The Framework is flexible in application and can be used through adaptation to different commodities and different levels of risks.

Commodity adaptation

For the Framework to be used as the basis for conformance verification, it should be adapted to the relevant commodity, and when applicable also to the geographical region. The adaptation of the framework allows a flexible approach that adapts to issues relevant to specific commodities, while still aligning with the general framework principles and criteria.

This commodity adaptation may be combined with a risk-based approach.

Risk-based approach

The Sustainability Framework principles, criteria and indicators can be used to create country- and commodity-specific risk assessments, allowing focus on relevant issues. This approach creates a more efficient way of ensuring that important issues are addressed and reduces the amount of time and resources necessary to achieve sustainability goals.

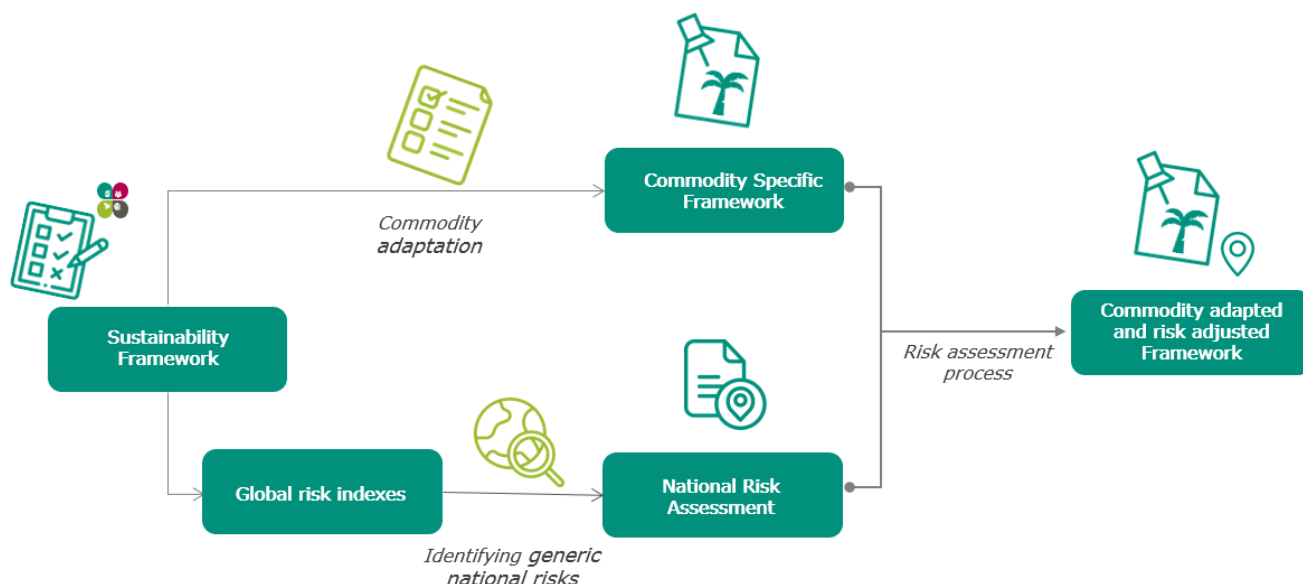


Figure 2: Illustration of the commodity adaptation and risk adjustment process.

External verification of performance

For *organisations* wishing to gain external recognition of their sustainability performance, Preferred by Nature can verify their conformance against the whole Sustainability Framework. They can also choose to be verified against a subset of the sustainability criteria in the Sustainability Framework. When choosing to start with focus on specific topics, an organisation may for example become Preferred by Nature verified for deforestation-free supply chains, avoiding child labour, or eradicating modern slavery.

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

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

Organisations may choose to focus on specific commodities or specific *supply chains* in their work with the Sustainability Framework. They may also choose to apply the requirements to their entire operation or start with a specific source. The claims available will be adjusted to reflect the scope.

Organisations verified to meet all applicable indicators of the Sustainability Framework, may use the Preferred by Nature Seal and make related off- and on-product claims.



Figure 2: The Preferred by Nature Seal

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

Organisations that are working with Preferred by Nature 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 Preferred by Nature seal. Any communication in relation to the Sustainability Framework shall be limited to describing the nature and scope of the collaboration with Preferred by Nature. Preferred by Nature also reserves the right to communicate about companies with which it collaborates and supports – through the Preferred by Nature website and other communications channels such as social media and external newsletters.





Related standards

In combination with the Sustainability Framework's requirements for implementing sustainability commitments in land-use operations and *processing* facilities, the following normative requirements are available, applicable to *Organisations* using the Sustainability Framework:

- **SP-02 System requirements for land managers:** this standard contains requirements for systems applied to ensure consistent implementation of the Sustainability Framework indicators for land managers.
- **SP-03 requirements for supply chain due diligence:** this standard contains requirements for companies sourcing commodities through a *supply chain*, this may include manufacturers, traders and retailers. The standard sets out requirements systems to ensure *supply chain* management and for conducting due diligence for sourcing and meeting sustainability commitments.
- **Terms & definitions:** Preferred by Nature have collected terms and definitions used in the Sustainability Framework in a single document. This document shall be used as a reference to obtain details on specific use of terms and definitions.

SUSTAINABILITY INDICATORS




Principle 1: Management and business practices are responsible




Criterion 1.1 Land tenure and management rights are secure. <i>Land tenure</i> and the legal right to operate are established for all rights holders and ensure that <i>Free Prior and Informed Consent (FPIC)</i> is obtained where operations may affect <i>Indigenous Peoples</i> or <i>local communities'</i> rights and resources.		Land-use category	Processing category
1.1.1	<i>Land tenure</i> rights are secure and registered according to legal requirements and include clear demarcation of legally gazetted boundaries.		N/A
1.1.2	Land management rights are in place and registered according to legal requirements.		N/A
1.1.3	Legally required rights to operate are in place and registered according to legal requirements.		
1.1.4	<i>Land tenure</i> and management rights are obtained through a process that ensures that <i>Free Prior Informed Consent (FPIC)</i> is secured before any activities are commenced that may affect <i>Indigenous People's</i> or <i>local communities'</i> lands, territories, and resources. ²		N/A
1.1.5	In case of ongoing <i>land tenure</i> or management right disputes these are managed through a culturally appropriate and transparent process, agreed by the affected parties. ³		
Criterion 1.2 Management and operations are conducted responsibly. Management operations ensure legal compliance and adherence to fair management of contracts.			
1.2.1	Legal requirements related to disclosure of information are complied with.		

² The *FPIC* requirement is applicable regardless of how, or from who, land or resources are acquired.





³ See Principle 31 of the UN Guiding Principles on Business and Human Rights.

https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

1.2.2	Legal requirements for planning are complied with.		
1.2.3	Legal requirements for management and operation are complied with.		
1.2.4	Legal harvesting or <i>production</i> requirements are complied with.		N/A
1.2.5	Use of natural resources ensure the long-term productivity and yields.		N/A
1.2.6	Land areas under management are protected from illegal encroachment by third parties.		N/A
1.2.7	Harvest or trade in products do not contribute to armed conflict.		
1.2.8	Significant past <i>human rights</i> violations, caused by the <i>organisation</i> are remediated according to annex A.		
1.2.9	<i>Land tenure</i> and land management rights are not divested or legally transferred to another party to avoid responsibilities for remediation, restoration or protection of values.		N/A
1.2.10	The confidentiality and anonymity of environmental and <i>human rights</i> defenders, union representatives, whistle-blowers, complainants, and community spokespersons are respected.		
Criterion 1.3 Taxes and fees are paid.			
Applicable taxes and fees have been paid in a timely manner and according to legal requirements.			
1.3.1	Legal requirements for payment of royalties, land/area taxes and fees are complied with.		
1.3.2	Legal requirements for payment of value-added taxes and/or other sales taxes are complied with.		
1.3.3	Legal requirements for payment of income and profit taxes are complied with.		
1.3.4	Legal requirements for payment of transport, trade and/or export taxes are complied with.		
1.3.5	No undisclosed or unrecorded accounts, funds or assets are established or maintained.		
Criterion 1.4 Corruption and conflict of interest are avoided.			

<i>Corruption, bribery, and conflict of interests</i> are avoided, while business integrity is ensured according to best practices.			
1.4.1	Legal requirements relating to bribery, fraud and <i>corruption</i> are complied with.		
1.4.2	Payment of or accepting bribes or other forms of <i>corruption</i> does not take place.		
1.4.3	Business integrity is ensured by avoiding all forms of bribery and <i>corruption</i>		
1.4.4	Corporate hospitality, including the exchange of gifts, is managed according to best practices, including that the hospitality: <ul style="list-style-type: none"> a) be for a legitimate business purpose, which may include developing business relationships; b) not include public officials from which a decision regarding any license, permit, authorisation or any other official act or decision is pending; c) be given in an open and transparent manner; d) and not include cash, loans or cash equivalents (such as gift certificates or vouchers).⁴ 		
1.4.5	<i>Conflicts of interest</i> are identified, managed, and declared.		
1.4.6	Political contributions and campaign expenditures are publicly disclosed.		
Criterion 1.5 Trade and transport are conducted legally and responsibly. Trade and transport of, material, products, and animals are conducted according to legal requirements and respecting principles of fairness and transparency in contractual obligations.			
1.5.1	Legal requirements relating to trade and transport of products are complied with.		
1.5.2	Legal requirements relating to the classification of products for trade and transport are complied with.		
1.5.3	Legal requirements relating to export and/or import are complied with.		

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.

1.5.4	Legal requirements relating to offshore trading and transfer pricing are complied with.		
1.5.5	Legal requirements relating to the trade of <i>CITES species</i> are complied with.		
1.5.6	Legal requirements relating to <i>due diligence</i> or due care are complied with.		
1.5.7	Agreed payments, to suppliers or service providers, are made in a timely manner and receipts specifying price, quantity/volume/weight, qualities, deductions and amounts paid are given ⁵ .		
1.5.8	Contracts with <i>suppliers</i> and/or buyers have clear terms, are fair, legal and transparent and have an agreed timeframe and are not changed or cancelled unilaterally.		

⁵ See for possible delays: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32019L0633&from=EN>

Principle 2: Peoples' well-being and *human rights* are respected

<p>Criterion 2.1 <i>Child labour</i>⁶ is not present and employment of <i>young workers</i> is responsibly managed.</p> <p><i>Child labour</i> is eliminated, and <i>children</i> are protected. Where <i>young workers</i> are employed, their employment follows best practices.</p>	Land-use category	Processing category
2.1.1 <i>Child labour</i> is not used, promoted or supported in any way. ⁷		
2.1.2 Legal requirements related to <i>child labour</i> and employment of <i>young workers</i> are complied with.		
2.1.3 <i>Children</i> under the age of 15 (or under the age for completion of compulsory education, whichever is higher) are not employed, except within the framework of " <i>Family Farm</i> " ⁸ work or when covered by national legislation in accordance with Article 7 of the <i>ILO Minimum Age Convention</i> ⁹ .		
<p>2.1.4 Where the <i>young workers</i>¹⁰ are employed, the following are met:</p> <p>a) <i>Young workers</i> only work outside of compulsory school hours.</p> <p>b) <i>Young workers</i> do not work more than 8 hours a day.</p> <p>c) <i>Young workers</i> do not work without supervision during night hours.</p>		
<p>Criterion 2.2 Modern slavery¹¹, forced or compulsory labour do not occur.</p> <p>Forced labour, modern slavery and human trafficking do not occur and no dependence is built or restrictions made for workers freedom to choose their employer.</p>		
2.2.1 <i>Modern slavery</i> ¹² , forced labour or compulsory labour is not used, promoted or supported in any way.		

⁶ The term "*child labour*" is defined as work that deprives *children* of their childhood, their potential and their dignity, and that is harmful to physical and mental development. See Preferred by Nature's Terms & Definitions for more details.

⁷ ILO [Worst Forms of Child Labour Convention](#), 1999 (No. 182)

⁸ See definitions in RS-09 and <http://www.fao.org/3/a-i4306e.pdf>

⁹ https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ilo_code:C138

¹¹ ILO [Forced Labour Convention](#), 1930 (No. 29); [ILO Abolition of Forced Labour Convention](#), 1957 (No. 105); [Modern Slavery Act UK](#).

¹² See definition in "preferred by Nature Sustainability Framework terms & Definitions.

2.2.2	Withholding of salary, benefits, documents, or property is not used in ways to restrict workers' freedom.		
2.2.3	Legal requirements related to <i>modern slavery</i> , including forced labour and prison labour, are complied with, where these, at a minimum meet the requirements of the relevant <i>ILO conventions</i> .		
2.2.4	Workers have the right to leave the workplace after completing their workday and be free to terminate their employment if they give reasonable notice to their employer.		
2.2.5	Human trafficking is not used, promoted or supported in any way.		
Criterion 2.3 Workers' rights are respected. The rights of all workers are respected, including the International Labour Organization (ILO) eight <i>fundamental Conventions</i> .			
2.3.1	Legal requirements related to Freedom of Association, Rights to Organise and Collective Bargaining ¹³ are complied with, where these, at a minimum meet the requirements of the relevant <i>ILO conventions</i> .		
2.3.2	Freedom of Association, the Right to Organise ¹⁴ and the Right to Collective Bargaining are respected.		
2.3.3	Legal requirements related to working hours, overtime, rest time and time off, are complied with, where these, at a minimum meet the requirements of the relevant <i>ILO conventions</i> .		
2.3.4	Regular working hours of all workers does not exceed 48 hours per week, with at least one full day of rest for every six consecutive days worked. ^{15 16}		
2.3.5	Workers receive at least one meal period break for every six hours worked.		
2.3.6	Overtime is voluntary and does not result in a work week exceeding 60 total hours, except under circumstances of shorter		

¹³ ILO Right to Organise and Collective Bargaining Convention, 1949 (No. 98).
¹⁴ ILO [Freedom of Association and Protection of the Right to Organise Convention](#), 1948 (No. 87).
¹⁵ SAN Standard, 2017. <https://www.sustainableagriculture.eco/blog/2017/11/9/is-saving-water-enough-5tss3>
¹⁶ ILO, C001 - Hours of Work (Industry) Convention, 1919 (No. 1)

duration ¹⁷ where additional labour is required.		
2.3.7 Workers are treated respectfully and never subjected to sexual or other abuse or harassment, or verbal, physical or psychological mistreatment.		
2.3.8 The privacy rights of workers are respected, including, but not limited to, whenever an employer gathers private information or implements employee-monitoring practices. ¹⁸		
2.3.9 Legal requirements related to recruitment and employment are complied with.		
2.3.10 Employment conditions of workers, including wages, bonuses, work hours, overtime, vacation, and others, are documented and available to workers prior to employment.		
2.3.11 Social responsibilities are not avoided, by hiring <i>de facto</i> permanent, long-time, full-time workers under seasonal or temporary contracts.		
2.3.12 Where <i>migrant workers</i> are hired, the following are ensured, in addition to the Framework's other provisions related to human-and <i>workers'</i> rights ¹⁹ : <ul style="list-style-type: none"> a) <i>Migrant workers</i> are legally authorized to enter, to stay and to engage in a remunerated activity in the area/country²⁰. b) <i>Migrant workers</i> and their families are free to travel and leave the area/country without restrictions, except those restrictions defined by law. c) <i>Migrant workers</i> are ensured of equality of opportunities and no less favourable treatment than local workers.²¹ 		

¹⁷ A shorter duration here is considered to refer to a few weeks e.g. in a harvest season for a short period where it is required for workers to work overtime.

¹⁸ [Accountability Framework](#), Core Principles, 2

¹⁹ Migration for employment convention 1949.

https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312242

²⁰ In some countries or jurisdictions there may be legal allowance or recognition by public authorities for workers, even in cases when not all documentation or legal processes have been finalized. Such complex situations should be evaluated case by case to conclude if the situation as a whole constitutes illegal working practice or not.

²¹ ILO Convention 97 and 143.

https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::p12100_instrument_id:312242;
https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_INSTRUMENT_ID:P12100_LANG_CODE:312288,fr:NO

<p>Criterion 2.4 Discrimination²² does not occur.</p> <p>There is no <i>discrimination</i> related to employment or occupation and employees enjoy a stimulating and fulfilling workplace.</p>		
<p>2.4.1 There is no <i>discrimination</i> in hiring, remuneration, access to training, promotion, termination or retirement based on race, national or territorial or social origin, caste, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or any other issue. ²³</p>		
<p>2.4.2 There is no interference with <i>workers' rights</i> to observe tenets or practices or to meet needs relating to race, national or social origin, religion, disability, gender, sexual orientation, family responsibilities, union membership, political opinions or any other condition.</p>		
<p>Criterion 2.5 All workers are remunerated in a responsible²⁴ manner</p> <p>All <i>workers, permanent</i> as well as <i>contractors, seasonal</i> and <i>migrant workers</i> are remunerated meeting or exceeding legal requirements and with respect towards worker's right to a decent standard of living.</p>		
<p>2.5.1 Legal requirements related to wages and other payments, such as social insurance, are complied with.</p>		
<p>2.5.2 The remuneration received for a standard workweek by a worker in a particular place is sufficient to afford a decent standard of living²⁵ for the worker and their family. ²⁶</p>		
<p>2.5.3 Wages meet or exceed minimum <i>industry standards</i> or other recognized <i>industry wage standards</i>.</p>		
<p>2.5.4 Payment is made directly to all workers to ensure they safely receive and retain their wages.</p>		
<p>2.5.5 Where an employer provided services, for which workers' pay, such as medical services, schooling, meals, and other</p>		

²² ILO [Discrimination \(Employment and Occupation\) Convention](#), 1958 (No. 111).

²³ 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

²⁴ OECD [Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#).

²⁵ Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.

²⁶ ILO, [International Labour Organization and the Living Wage: A Historical Perspective](#), 2017

	amenities, these are valued fairly and do not exceed local market prices.		
	2.5.6 Workers' wages and benefits are received as contractually agreed for each pay period.		
	Criterion 2.6 Workplaces are safe and healthy.²⁷ The workplace is safe and healthy, and workers have access to and use appropriate Personal Protective Equipment, commensurate with the activities undertaken.		
	2.6.1 Legal requirements related to workplace health and safety are complied with.		
	2.6.2 Equipment and utilities have effective guards and emergency stops.		
	2.6.3 Indoor workplaces are hygienic with adequate lighting, temperature, ventilation, sanitation, drinking water, sanitary facilities, as well as break facilities, and food storage.		
	2.6.4 Workers are competent in relevant health and safety issues and receive appropriate safety and health training in relevant issues prior to starting work and on a regular basis thereafter.		
	2.6.5 Personal Protective Equipment (PPE), is available to and used by workers, is in good condition, and appropriate for the specific activity being conducted.		
	2.6.6 Workers handling <i>chemicals</i> and machinery have relevant competencies in <i>chemical</i> or machine handling, and have access to appropriate clean facilities for cleaning, washing and breaks.		
	2.6.7 Expectant and nursing mothers are not engaged in activities that exposes them to risks to their health and safety.		
	2.6.8 Emergency exits, fire detection, emergency alarms and fire suppression equipment are in place, visible and in working order and workers are competent to handle equipment and react to emergencies.		



²⁷ WHO, [Healthy workplaces: a model for action](#), 2010.

2.6.9	Workers have access to appropriate first-aid equipment, as well as medical services in case of emergencies.		
Criterion 2.7 Employer-provided housing is safe and hygienic. Where housing is provided by the employer to workers, it is in a safe and hygienic condition and is provided free of charge or for a fee commensurate with the pay.			
2.7.1	Legal requirements related to housing of workers are complied with.		
2.7.2	Housing is offered to workers if no affordable or safe accommodation is otherwise available, especially in remote locations where commuting is not a viable option or where workers are expected to stay within the premises for extended periods of time.		
2.7.3	If workers pay for employer-provided housing, the cost of housing is commensurate with the pay and comparable to similar housing in the area/industry. ²⁸		
2.7.4	Employer-provided housing is safe and hygienic. ²⁹		
2.7.5	Employer-provided housing has functioning emergency exits and fire alarms and access to first-aid supplies and fire suppression equipment. All equipment is in working order and workers are competent to handle equipment.		
2.7.6	Where workers, and their families, live in employer-provided housing the employer ensures that they have access to medical, educational, and social services.		
Criterion 2.8 Gender equality is maintained and protected.³⁰ <i>Gender equality</i> is protected according to legal requirements and following best practices, including equal remuneration for equal pay and sufficient maternity leave.			
2.8.1	Legal requirements related to gender-based <i>discrimination</i> are complied with. ³¹		

²⁸ See ILO Workers' Housing Recommendation, 1961.
https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R115


²⁹ [Nestle Responsible Sourcing Standard](#), 2.3.3. See also Preferred by Nature SP-09 Terms & Definitions
³⁰ ILO, C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

³¹ [Accountability Framework](#), Core Principles, 2,

2.8.2	Job opportunities are available to all people, irrespective of gender, under the same conditions.		
2.8.3	Irrespective of gender, there is equal remuneration for work of equal value.		
2.8.4	Legal requirements related to maternity leave are complied with.		
2.8.5	Pregnant women who are <i>permanent workers</i> shall have least 4 weeks maternity leave, with pay or access to similar income.		
Criterion 2.9 The rights of Indigenous Peoples are respected. The rights of <i>Indigenous Peoples</i> are known and respected and interaction with them is conducted in a respectful and culturally appropriate manner.			
2.9.1	Legally recognised <i>Indigenous Peoples</i> who are affected by activities of the organisation, are known and their legal rights are respected.		
2.9.2	<i>Indigenous people</i> potentially affected by the activities of the organisation are recognised and their rights respected, even if legal regulations fail to fully recognise these rights.		
2.9.3	<i>Indigenous People's</i> rights, including rights to resources and land, are known.		
2.9.4	The rights of Indigenous People are respected and upheld, following principles of Free, Prior and Informed Consent (FPIC).		
2.9.5	The impacts of activities on <i>Indigenous People</i> are known and negative impacts are avoided.		
2.9.6	Interaction with <i>Indigenous People</i> is conducted in respectful and culturally appropriate manner with focus on avoiding any negative impacts and enhancing positive ones		
Criterion 2.10 Community rights are respected. ³² There is respectful, collaborative, mutually beneficial and enriching engagement with the <i>local community</i> .			

³²

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

2.10.1	<i>Local communities</i> potentially affected by operations are identified.		
2.10.2	Legally recognised <i>customary</i> and <i>local community</i> rights are identified and respected.		
2.10.3	Reasonable opportunities for employment, training and other services are made available to <i>local communities</i> .		
2.10.4	Sites and resources within the area of operation, fundamental for satisfying the basic needs of <i>local communities</i> are identified and protected (HCV5). ³³		N/A
2.10.5	Sites, resources, habitats and areas of cultural, archaeological, or historical significance, and/or of critical cultural, ecological, economic, or religious/sacred importance for the traditional cultures of <i>local communities</i> , are identified and protected as appropriate (HCV6). ³⁴		

³³ <https://hcvnetwork.org/library/common-guidance-for-the-identification-of-high-conservation-values/>

³⁴ <https://hcvnetwork.org/library/common-guidance-for-the-identification-of-high-conservation-values/>





Principle 3: Nature and the environment are protected

<p>Criterion 3.1 Natural forests and other natural ecosystems are protected from degradation and conversion.</p> <p><i>Production or other activities are not contributing to deforestation, conversion or degradation of natural forests or other natural ecosystems. Land-use planning, and management protects or restores biodiversity and natural ecosystems.</i></p>	<p>Land-use category</p>	<p>Processing category</p>
<p>3.1.1 <i>Natural forests or other natural ecosystems are protected from conversion to agriculture, plantation forestry, or other land uses.</i></p>		
<p>3.1.2 <i>Where conversion of natural forests or other natural ecosystems have taken place within the last 10 years, restoration activities are implemented to compensate for past ecosystem loss in line with the Preferred by Nature Restoration Standard.³⁵</i></p>		
<p>3.1.3 <i>There has been no deforestation or forest degradation after 31st December 2020.³⁶</i></p>		
<p>3.1.4 <i>Forests and other natural ecosystems are managed in a way that maintains natural ecosystems and biodiversity and complexity.</i></p>		
<p>3.1.5 <i>Within forest ecosystems and forest buffer zones, extraction of tree roots and stumps is avoided, to minimize erosion and negative climate and biodiversity impacts.</i></p>		<p>N/A</p>
<p>3.1.6 <i>Legal requirements relating to degradation and conversion of natural forests or other natural ecosystems are complied with³⁷.</i></p>		
<p>3.1.7 <i>If clear-cuts are used for forest management, the size of clear-cuts is minimized to be ecologically appropriate for the forest ecosystem, type and biome.e</i></p>		<p>N/A</p>
<p>3.1.8 <i>Legal requirements relating to biodiversity protection, protected sites, and</i></p>		<p>N/A</p>

³⁵ See <https://preferredbynature.org/certification/ecosystem-restoration/ecosystem-restoration-verification>

³⁶ This requirement relates to the EU proposal for a deforestation regulation cut-off date for deforestation and forest degradation (Article 2(8)). <https://ec.europa.eu/environment/forests/deforestation-proposal.htm>

³⁷ In this context legal *conversion* refers to *conversion* of very limited areas e.g. for road construction or other infrastructure necessary to operate. Legal *conversion* of large areas allocated for conversion of forest to other land-uses, even if legal, is not considered in conformance with the intention of the Framework. See also the separate indicator, prohibiting *conversion* of *natural forests* and other *natural ecosystems*.

protection of <i>endangered or protected species</i> are complied with.			
3.1.9	Riparian buffer zones are protected to avoid negative impacts on water quality, as applicable to the land-use type.		N/A
3.1.10	The risk of fire is controlled, and fire is only used for land preparation, where environmental and social benefits are demonstrated.		N/A
3.1.11	<i>Endangered or protected</i> animal or plant <i>species</i> are not hunted, killed, fished, collected, held captive, or trafficked. ³⁸		N/A
3.1.12	Legal requirements related to <i>environmental impact assessments</i> are complied with.		N/A
Criterion 3.2 High Conservation Values (HCVs)³⁹ are identified and protected.⁴⁰ <i>High Conservation Values</i> one to four (HCVs 1-4) are identified, maintained, and enhanced, subject to the precautionary approach, in alignment with the HCV Networks guidance.			
3.2.1	<i>High Conservation Values</i> 1-4 are identified through engagement with interested and affected parties, and protected and monitored, subject to the precautionary approach. ⁴¹		N/A
Criterion 3.3 Chemicals are used cautiously with minimal negative impacts. The use of <i>chemicals</i> is minimised, and any application ensures protection of human health, as well as ensuring minimal impacts on the environment.			
3.3.1	Legal requirements relating to <i>chemical</i> use and storage are complied with.		
3.3.2	<i>Prohibited chemicals</i> ⁴² are not used.		
3.3.3	Where <i>chemicals</i> are used, they are used in ways that ensure minimal adverse impacts on people and the environment.		

³⁸ An exception to this is where animals or plants are bred or grown legally with the purpose of restorations, re-introduction or protection.

³⁹ See the HCV Network for more information: <https://hcvnetwork.org>

⁴⁰ The implementation of the HCV methodology shall be dependent on the scale and intensity of the operations under evaluation. In the Sustainability Framework consideration will be given to the size of land-use operations to allow flexibility in the implementation of this criterion. Furthermore, when adapting the generic framework to specific commodities, the indicators under this criterion are reviewed and adjusted to be fit for purpose.




⁴¹ <https://hcvnetwork.org/library/common-guidance-for-the-identification-of-high-conservation-values/>

⁴² The definition of "*prohibited chemicals*" is found in the Preferred by Nature "Terms & Definitions"

3.3.4	The use of <i>chemicals</i> is monitored and minimised.		
3.3.5	<i>Chemical</i> drift, run-off or spills are effectively avoided and controlled.		
3.3.6	<i>Chemicals</i> with known risks for pollinators, or other non-target species, can only be used if: a) Nonchemical methods or less toxic pesticides are not available; b) Exposure to natural ecosystems is minimised; and c) Contact of pollinators and other non-target <i>species</i> with these substances can be minimised.		N/A
3.3.7	Where <i>fertilisers</i> are used: a. the type of <i>fertiliser</i> is selected based on soil assessment and crop nutrient needs over the growing season; and, b. the amount, timing, and application of <i>fertilisers</i> are adjusted to plant nutrient needs and to minimise nutrient loss to the surrounding environment.		NA
Criterion 3.4 Waste is reduced and managed appropriately. The volume and negative impacts of <i>waste</i> from <i>production</i> or activities related to <i>production</i> is managed and minimised.			
3.4.1	Legal requirements relating to <i>waste</i> management are complied with.		
3.4.2	Wastewater from operations is not discharged into the surrounding environment, including aquatic <i>ecosystems</i> , unless it has undergone treatment to reach a safe level.		
3.4.3	Untreated sewage is properly disposed of to avoid negative effects on surrounding environment, including aquatic resources.		
3.4.4	<i>Waste</i> storage, treatment and disposal practices do not pose health or safety risks to people, or <i>natural ecosystems</i> .		
3.4.5	<i>Waste</i> is not burned, except in incinerators technically designed for the specific <i>waste</i> type.		
3.4.6	<i>Waste</i> is managed in order to ensure reduction, recycling, reusing, and safe disposal based on the toxicity of the materials. ⁴³		

⁴³

Where applicable *waste* management plans shall be developed and implemented.


Criterion 3.5 Water resources are protected and used efficiently. Where water is used as part of the <i>production</i> system, legal requirements are met and wastewater from the operations is appropriately treated, avoiding adverse effects to ecosystems and the natural environment.			
3.5.1	Legal requirements for use of surface or ground water are complied with.		
3.5.2	Water usage is optimised and negative impacts on <i>production</i> and the surrounding environment reduced.		
3.5.3	Natural <i>water bodies</i> are protected from <i>chemical</i> , <i>fertiliser</i> and slurry drift and run-off.		
3.5.4	Water resources are managed to ensure that water quality and balance are maintained or improved and does not restrict availability for other users.		
Criterion 3.6 Soil is conserved and managed appropriately. Soil health in terms of biodiversity, organic matter content and other physical, chemical and biological attributes of the soil are maintained or improved. Negative impacts on soils are managed and minimised.			
3.6.1	Legal requirements related to soil management are complied with.		N/A
3.6.2	Water and wind erosion is reduced through practices such as ground cover, mulch, protection and re-vegetation of steep areas, terracing or filter strips to protect soils.		N/A
3.6.3	Harvesting, cultivation and grazing practices are implemented in a way that maintains or improves the physical, chemical, and biological condition of soil.		N/A
3.6.4	Harvesting, cultivation and grazing are not practiced on vulnerable soils where it causes long term damage to the ecological functions of the soil, such as very steep slopes and peat soil types.		N/A
3.6.5	Plant and animal materials are managed to maintain or improve soil <i>biodiversity</i> and organic matter content and do not contribute to contamination of crops, soil, or water by nutrients, pathogenic organisms, heavy metals, or residues of prohibited substances.		N/A

<p>Criterion 3.7 Animal health and welfare is secured.^{44 45}</p> <p>Animal health and welfare are ensured in indoor and outdoor animal <i>production</i> systems, reducing stress to the animals and allowing them to exercise their natural behaviours.</p>		
3.7.1	Legal requirements relating to animal health, welfare, medication transport and traceability are complied with.	
3.7.2	Animals are fed to satisfy nutritional needs and good health.	
3.7.3	Animals have access to environments that allows them to move freely and exhibit natural behaviour.	
3.7.4	Animals have continuous access to sufficient, fresh, and clean water, without competition between animals.	
3.7.5	Measures are taken to prevent diseases (such as vaccination, hygiene measures), while minimizing risks of antimicrobial resistance as well as pain and injury to the animals.	
3.7.6	Housing, pens and handling facilities have space, ventilation, lighting, drainage and are safe, minimising risk of diseases, injury and stress to the animals, according to climatic zones.	
3.7.7	Transportation of animals considers the size of animals, climatic conditions and need for water and food (in case of long-distance transportation), minimizing stress for the animals.	
3.7.8	Animal handling is done by workers with experience, and competence in animal welfare	

⁴⁴ OIE, [Terrestrial Animal Health Code](#).

⁴⁵ Nestlé [Responsible Sourcing Standard](#).
RSPCA, [RSPCA welfare standards](#)
SAN, [Sustainable Agriculture Standard](#)
GRSB, [Statement on Antimicrobial Stewardship](#)

Principle 4: *Climate impacts are reduced and mitigated*

Criterion 4.1 Greenhouse gas emissions are reduced	Land-use category	Processing category
Best business practices to minimise major <i>greenhouse gas</i> emissions are implemented, according to the risks and proportionate to the scale and nature of the operation.		
4.1.1 Significant <i>greenhouse gas</i> emission sources are identified, considering management practices, land-use change, livestock, energy, sourcing and use of materials.		
4.1.2 Animal feed shall not contribute to deforestation.		
4.1.3 If there is risk that the sourcing activities may cause significant indirect land use change through <i>conversion</i> or destruction of <i>natural ecosystems</i> elsewhere, steps are taken to mitigate such risk.	N/A	
4.1.4 Efforts are taken to reduce emission of <i>greenhouse gases</i> resulting from activities, meeting at minimum the industry sector best practices and considering best available technology. ⁴⁶		
4.1.5 Where applicable the amount of soil carbon is maintained or increased over the long term.		
4.1.6 If offsetting is used, the carbon credits are from carbon projects independently verified against credible carbon offsetting standards representing genuine, additional and permanent reductions and avoiding leakage and double counting.		
4.1.7 If applicable, national and/or international regulations concerning emission reduction targets for applicable climate change factors and actions are complied with.		

⁴⁶

The focus at minimum should be on the most significant emission sources, rather than having a complete *carbon footprint* approach. The specifics for each sector and commodity will be detailed in the adapted version of the framework. For example, cattle ranchers should take best practice steps to minimize methane emissions (breed selection, monitoring for appropriate time for slaughter and so on). Rice farmers should avoid burning rice straw and should aim to use alternate wet and drying cycles (AWD), which can significantly reduce the related methane emissions.

<p>Criterion 4.2 Climate change adaptation efforts are implemented proportionate to the risks.</p> <p>Risks resulting from climate change that may endanger the sustainability of operations is considered and appropriate climate adaptation measures implemented.</p>		
<p>4.2.1 The key risks for the operation resulting or potentially resulting from climate change are identified.</p>		
<p>4.2.2 Measures for climate change adaptation is implemented for areas of high risk and proportionate to the scale of the operations and anticipated social, economic, and environmental impacts.</p>		NA
<p>Criterion 4.3 Efforts are taken for GHG removal and ecosystem restoration as appropriate</p> <p>Opportunities for <i>GHG</i> removal and <i>ecosystem restoration</i> and to implement related activities are considered when feasible and relevant.</p>		
<p>4.3.1 Best business practice to ensure <i>GHG</i> removals based on land-use and land management practices and carbon stocks to promote positive climate regulation over time are implemented.</p>		
<p>4.3.2 If implemented, <i>ecosystems</i> restoration efforts aim to both regain ecological functionality of the reference <i>ecosystem</i> and enhance human well-being, while taking into account the changing environmental, social and economic conditions of the area.</p>		

Annex A: Remediation

A.1 Remediation measures are implemented as appropriate.
A.1.1 Violations of <i>human rights</i> , affecting <i>Indigenous People, communities, or workers</i> , are remediated through an adequate, legitimate and culturally appropriate mechanism. ⁴⁷
A.1.2 <i>Remediation</i> actions result in fair and just outcomes.

⁴⁷ See Principle 31 of the UN Guiding Principles on Business and Human Rights.
https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf



Preferred by Nature (formerly known as NEPCon) is an international non-profit organisation working to support better land management and business practices that benefit people, nature and the climate. We do this through a unique combination of sustainability certification services, projects supporting awareness raising, and capacity building.

For more than 25 years, we have worked to develop practical solutions to drive positive impacts in production landscapes and supply chains in 100+ countries. We focus on land use, primarily through forest, agriculture and climate impact commodities, and related sectors such as tourism and conservation.
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