



Preferred by Nature Certification

Certification scheme benchmarking procedure

Preferred by Nature has developed the [Sustainability Framework](#) Standard as part of our certification programme, offering a flexible solution to assist land managers and companies in meeting their sustainability goals.



Encompassing various sustainability topics with specific criteria and indicators, this framework is universally applicable, catering to **businesses of all sizes** dedicated to sustainable

practices. While it serves as a single universal framework, it can be customised for **each commodity**, allowing for tailored applications.

In today's business landscape, **environmental, social and governance (ESG) considerations** are paramount. Our framework and certification services provide a comprehensive approach to address both voluntary and mandatory ESG requirements. Aligned with the **EU Deforestation Regulation**, our Sustainability Framework enhances companies' risk assessment and mitigation efforts while ensuring compliance with regulatory standards.

Aligning sustainability standards

Given the extensive scope of sustainability topics, the framework partly overlaps with many other existing sustainability standards, policies and certification programmes. At Preferred by Nature, we want to add value, avoid duplication and build upon existing efforts by other schemes. We intend to utilise the Sustainability Framework for commodities not covered by the existing certification schemes and to supplement the programmes' requirements where necessary. **This involves benchmarking other schemes against our framework to identify overlaps and gaps.**

This document outlines our **benchmarking approach and process** related to the Sustainability Framework, serving as a guide for Preferred by Nature's staff and stakeholders.

It offers insight into our methodology and may interest environmental and social NGOs, governmental institutions, and other schemes we compare our standards with.

The Sustainability Framework is applicable to land managers and supply chain entities in various industries, making the benchmarking results relevant for organisations certified under existing sustainability schemes seeking alignment with the Sustainability Framework.

The procedure can also benchmark company sustainability policies and identify gaps.

Enhancing sustainability certification

The existing sustainability certification schemes boast robust criteria and stringent auditing procedures, tailored to the distinctive demands of particular industries. In contrast, our certification system is crafted to embrace a wider array of crops sourced from both forests and farms. This expansive scope positions Preferred by Nature Certification as a valuable **complement to the current certification landscape**. Hence at Preferred by Nature, our objective is to minimise redundancy, optimise efficiency and foster collaboration with other certification schemes. This collaborative approach aims to help companies achieve their sustainability and regulatory commitments in a cost-effective and time-efficient manner.

By comparing the Sustainability Framework with other schemes, we identify both overlapping and missing areas. These **additional indicators**, which address the identified gaps, can easily be incorporated into regular audits. This enriches organisations' certification journey with a more comprehensive checklist and unlocks further benefits, all without the need for redundant audits.

Organisations that fulfil the requirements of their current certification scheme, along with the additional Sustainability Framework criteria addressing identified gaps, are eligible to utilise the **Preferred by Nature Hummingbird Seal**.





In conclusion, the benchmarking exercise prioritises identifying gaps between other certification schemes and the Sustainability Framework to streamline certification efforts and avoid duplication. Its primary focus lies in assessing the extent to which existing certification schemes address pertinent sustainability issues rather than delving into the quality and governance aspects of other systems.

Prioritised benchmarking targets

Preferred by Nature will focus on benchmarking the Sustainability Framework against **well-established sustainability schemes**, such as Forest Stewardship Council™ (FSC™) Forest Management and Rainforest Alliance Sustainable Agriculture Standards.

Our priority lies in schemes with which we have established partnerships and a substantial client base. As we progress, our aim is to expand our coverage to encompass additional scheme standards.

Benchmarking scope and focus: prioritising performance requirements

A comprehensive benchmarking exercise typically encompasses both the performance requirements applicable to certificate holders and the assurance systems of the scheme, which ensure compliance with these requirements. However, in line with the specific objective of benchmarking the Sustainability Framework, which is to streamline efforts and avoid redundancy, our primary focus has been on comparing the **performance requirements** of the schemes.

This approach is driven by our current emphasis on schemes with which we have existing partnerships and familiarity with assurance requirements.

Additionally, for the Sustainability Framework's coverage, we acknowledge compliance with ISEAL-related schemes, further enhancing the credibility of the assurance schemes.

In certain instances, we may also opt to benchmark the assurance rules of the scheme. Within the realm of performance requirements, we scrutinise the core sustainability standards of the scheme, along with relevant terms, definitions, interpretation guidance and other normative documents.

Benchmarking insights and improvement opportunities

The overarching goal is to facilitate organisations certified under other schemes to utilise the **Preferred by Nature Hummingbird Seal** without undergoing redundant audits for identical requirements. The primary aim of benchmarking is to pinpoint the **additional requirements** that must be assessed alongside those of existing schemes.

At minimum, benchmarking of the Sustainability Framework involves identifying areas covered by the framework but not addressed in the benchmarked scheme. However, typically, we also conduct comparisons in the opposite direction to glean insights from existing standards and identify potential areas for enhancing the Sustainability Framework.

Benchmarking process

During the process, the performance requirements of sustainability schemes undergo benchmarking against the overarching criteria and indicators of the Sustainability Framework. Initially, this benchmarking occurs at the **indicator level**. Subsequently, insights from the indicator-level analysis are utilised to draw conclusions at the **criterion level**.

For scheme standards, our objective is to employ the **most detailed auditable requirements available**. These requirements are often expressed as indicators, although the terminology may vary among schemes. Given the global applicability of the Sustainability Framework, the benchmarking exercise focuses on schemes with a **global geographical scope**.

When regional or national standards are present, priority is given to benchmarking against the global standard. For instance, in the case of the Forest Stewardship Council (FSC), benchmarking is conducted using the global FSC Principles and Criteria and International Generic Indicators (IGIs). However, in cases where national or regional standards exhibit significant differences, relevant benchmarking may also occur against these standards.



Indicator level analysis

For the comparison at the indicator level, each indicator in the Sustainability Framework is assessed individually.

Sometimes, there will be a direct correlation between indicators. In other instances, one indicator in the Sustainability Framework may correspond to multiple indicators in the benchmarked standard.

For instance, suppose one indicator from the Sustainability Framework aligns with three indicators from the benchmarked scheme. If collectively, these indicators cover the requirements of the Sustainability Framework, all are marked as 'covered'. However, if the combined indicators still do not fully address the requirements of the Sustainability Framework, they are denoted as 'partly covered'.





The following aspects are taken into consideration during the benchmarking process:

- When the scheme standard includes **optional requirements**, which are not mandatory (and will not become mandatory in the certification cycle), they are not considered part of the comparison. When there are **stepwise requirements** (e.g., indicators that become mandatory by a certain year in the programme), they are regarded as normative and will be included in the comparison.
- If a scheme standard requires a **procedure**, we assume that it will be implemented and followed. On the other hand, if the Sustainability Framework requires a specific performance level or outcome, we assume that a relevant system/approach is implemented to achieve the result.
- A **single general indicator** in the scheme standard on a topic may not be considered sufficient to fully address a topic. An example would be a single generic statement about legal compliance. If there is such a general requirement, we consider if the scheme defines the scope of the legislation that is regarded as normative and applicable within scheme documentation (i.e., required to be followed). The scope should at least indicate general topics relevant to the criteria where we have legal compliance requirements.
- When a Sustainability Framework indicator does not have a corresponding one in the scheme standard, it is linked to the **closest relevant higher-level requirement** (e.g., criterion). If it is not covered there either, and if the scheme standard has further higher levels, it is linked to that level (e.g., principle). The indicator is considered covered if the higher-level requirement directly and explicitly addresses the indicator. In other cases, it is considered not covered.
- When a Sustainability Framework indicator **corresponds** with an indicator and criterion from the scheme, the Sustainability Framework indicator is **linked** to the scheme indicator (or to the most granular level that is used for the indicator level analysis).





The following values were used in conducting indicator-level analyses:

Colour	Value	Explanation
	Fully	<i>One or several indicators from the benchmarked standard fully cover one indicator of the Sustainability Framework.</i>
	Partly	<i>One or several indicators from the benchmarked standard partly cover one indicator of the Sustainability Framework.</i>
	Missing	<i>An indicator from the Sustainability Framework is not addressed or covered by any indicator in the benchmarked standard.</i>
	Not applicable	<i>The indicator from the Sustainability Framework is not applicable or relevant to the benchmarked standard.</i>

Criterion level conclusions

Based on the analyses conducted at the **indicator level**, conclusions are drawn at the **criterion level**, utilising the findings from the indicator analysis. This assessment involves evaluating the **extent** to which any missing or partially covered indicators impact the coverage at the criterion level.

The **criterion-level conclusion** is somewhat subjective and relies on the expert opinions of individuals involved in the benchmarking process. The analysis includes assessing the findings at the indicator level and determining the extent to which any partially covered or missing indicators would result in a criterion of the Sustainability Framework not being adequately addressed by the benchmarked standard.

For instance, if a Sustainability Framework criterion contains only one or a few indicators that are either missing or only partially covered in the benchmarked standard, and if the uncovered issue is deemed a minor nuance or a very specific marginal concern within the Sustainability Framework criterion, the criterion level conclusion may still be that the **criterion's intent** is sufficiently addressed by the benchmarked standard. This decision is based on an understanding of the benchmarked standard and its ability to encompass

the **overall intent** of the specific Sustainability Framework criterion.

Conversely, if one or more indicators in the Sustainability Framework that are crucial to the intent of the criterion are not covered by the benchmarked standard, the criterion will be deemed only partially covered.

In such cases, the aspects identified as partially covered or missing will be included as **add-on indicators** in a Sustainability Framework evaluation to ensure that these issues are properly assessed.

In instances where all indicators of a criterion are deemed **not applicable** (e.g., the animal welfare criterion for some commodities), the entire criterion is labelled as non-applicable. However, when critical aspects are missing and require addressing, the criterion is marked accordingly, indicating that the missing aspects are part of the checklist for field evaluation and must be taken into consideration.

Here is an example from the benchmarking comparison between the Sustainability Framework and the FSC FM Standard (IGIs):

C	2.6	Workers are remunerated in a responsible manner. All workers, permanent and contractors, seasonal and migrant workers, are remunerated for meeting or exceeding legal requirements and respecting workers' right to a decent standard of living.		#N/A	Fully-intent
I	2.6.1	Legal requirements related to workers wages and other payments, such as social insurance, are complied with.	1	PRINCIPLE 1: COMPLIANCE WITH LAWS The Organization* shall comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements. (P1 P&C V4)	Fully
I	2.6.2	The remuneration received for a standard workweek by a worker in a particular place are sufficient to afford a decent standard of living for the worker and their family.	2.4.1	Wages paid by The Organization* in all circumstances meet or exceed legal* minimum wage rates, where such rates exist.	Fully
I	2.6.3	Workers' wages meet or exceed minimum industry standards or other recognized industry wage standards.	2.4.1	Wages paid by The Organization* in all circumstances meet or exceed legal* minimum wage rates, where such rates exist.	Fully
I	2.6.3	Workers' wages meet or exceed minimum industry standards or other recognized industry wage standards.	2.4.2	Wages paid meet or exceed: 1) Minimum forest* industry standards; or 2) Other recognized forest* industry wage agreements; or 3) Living wages* that are higher than legal* minimum wages.	Fully
I	2.6.4	Payment is made directly to all workers to ensure they safely receive and retain their wages.	2.4	The Organization* shall pay wages that meet or exceed minimum forest* industry standards or other recognized forest* industry wage agreements or living wages*, where these are higher than the legal* minimum wages. When none of these exist, The Organization* shall through engagement* with workers* develop mechanisms for determining living wages*. (new)	Missing
I	2.6.5	Where an employer provided services, for which workers' pay, such as medical services, schooling, meals, and other amenities, these are valued fairly and do not exceed local market prices	2.4	The Organization* shall pay wages that meet or exceed minimum forest* industry standards or other recognized forest* industry wage agreements or living wages*, where these are higher than the legal* minimum wages. When none of these exist, The Organization* shall through engagement* with workers* develop mechanisms for determining living wages*. (new)	Missing
I	2.6.6	Workers' wages and benefits are received as contractually agreed for each pay period.	2.4.4	Wages, salaries and contracts are paid on time.	Fully

In the example provided, **Criterion 2.6 of the Sustainability Framework** is deemed to be adequately addressed by the FSC Standard, despite the existence of two indicators from the Sustainability Framework that are not explicitly covered by FSC. These specific issues not covered by FSC are very specific and do not significantly impact the FSC Standard's ability to fulfil the intent of the Sustainability Framework criterion.

Consequently, the two missing indicators are not deemed necessary as add-on indicators. The decision on whether to incorporate an add-on indicator hinges upon the extent to which the indicators of the benchmarked standard deviate from effectively addressing **the intent and central themes** of the criteria outlined in the Sustainability Framework. This determination necessitates expert evaluation and is inherently subjective.





Colour

Explanation of criterion-level findings



Fully covered

All indicators within a criterion of the Sustainability Framework are thoroughly addressed, ensuring alignment with both the content and intent. However, discrepancies may persist in the wording and structure of how these topics are articulated.



Intent covered

The overarching intent of the criterion is fulfilled. While variations may exist among individual indicators, and certain specific indicator requirements might be absent, the assessment focuses on the comprehensive coverage of the criterion as a whole. In general, the standard effectively encompasses the overarching topic and intent of the criterion.



Partly covered

*Several crucial elements pertinent to the criterion's intent are absent. Consequently, specific indicators are chosen for supplementary certification to align with the Sustainability Framework. It is important to emphasise that not all missing indicators are automatically included in the certification process. Instead, the focus is on incorporating indicators essential to fulfilling the criterion's **intent**.*



Missing

The benchmarked standard does not encompass the intent of the criteria. Therefore, it is necessary to utilise the relevant indicators from the Sustainability Framework to assess compliance. However, the specific indicators chosen to augment the checklist may vary, influenced by how the scheme aligns with the relevant topics.



N/A (not applicable)

The criterion is deemed not applicable to the sector or commodity in question. For instance, the criterion regarding animal welfare might be regarded as not applicable for a scheme primarily targeting specific plant-based agricultural crops.

NOTE: It is important to emphasise that the classification provided in the table above is solely intended for **criterion-level conclusions**. The options for indicator-level analyses differ somewhat, as explained in other sections of this procedure.

Who conducts the benchmarking exercise?

The benchmarking team comprises technical experts from **Preferred by Nature's staff**, typically possessing practical experience and expertise in certification within the relevant sector, scheme or commodity. Additionally, we may enlist the support of **external experts** on an as-needed basis.

Given that the Sustainability Framework is our proprietary standard, we recognise the potential for conflicts of interest. Simultaneously, we approach schemes with the understanding that we also operate as service providers. Our overarching objective is to minimise redundancy in certification efforts, thus fostering strong alignment between the Sustainability Framework and existing scheme

standards is mutually beneficial for all stakeholders, including Preferred by Nature.

Further measures to mitigate the risk of impartiality include **expert review** and **consultation with schemes** regarding benchmarking results in certain instances.

Benchmarking is conducted by Preferred by Nature, incorporating elements of **quality control** and **consultation**. Prior to commencing the benchmarking activity, our technical specialists structure the certification scheme to ensure compatibility with the Excel spreadsheet for comparison with the Sustainability Framework.



The benchmarking process involves the following steps:



Update of benchmarks

Benchmarks will be updated whenever there are **changes** to the benchmarked standards or the Sustainability Framework. The update process will mirror the initial benchmarking process, although minor changes may sometimes be made without undergoing a full quality review and consultation.