



Claims and Seal Use Standard

Sustainability Framework
Programme

Claims and Seal Use Standard Sustainability Framework Programme	
Title:	Claims and Seal Use Standard
Scope:	Global
Status of document:	Approved
Version:	1.3
Date:	13 January 2023
Approval body:	Preferred by Nature
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Introduction

This Standard contains normative requirements and related guidance for how Sustainability Framework-verified organisations may communicate about the Sustainability Framework verified products they are sourcing, producing or trading.

Information on such products must be passed on in an accurate and clear manner. It shall be easily understood by stakeholders receiving the information. It is crucial that claims made about the Preferred by Nature Sustainability Programme are accurate.

This Standard shall be applied together with other normative requirements, and in particular, the requirements of the **Chain of Custody and Traceability Standard**. The Chain of Custody and Traceability Standards allow different options to be followed (called models) on how the material is tracked and linked to the claims. The two models allowed are the **segregation model** and the **mass balance model**.

The allowed claims and their use are different between the two models. The choice of the **chain of custody model** and the information travelling with products (such as information on the source of raw material) is closely linked with the claims that may or may not be made. Organisations using products from the **mass balance model** must not state anything that might lead consumers to believe that the product contains verified content.

Furthermore, the use of the Preferred by Nature seal is only allowed when using the **segregation model**.

Finally, it is important for all companies who want to use the Preferred by Nature seal to be aware that **carbon compensation** of the product emissions is a prerequisite for using the seal. The related requirements are also detailed in this current standard.

This Standard is to be used together with other normative standards; a list of relevant standards can be found in **box 1**.

Box 1: List of normative documents of the Sustainability Framework Programme

- **Standard SP-01. Sustainability Framework.** The Framework contains the requirements applicable to producers working on land use level (land managers), processors and manufacturers. For some products, a product or sector-specific adaptation of the framework may be applicable.
- **Standard SP-02. System Requirements for Certificate Holders.** This standard is applicable to all Sustainability Framework verified operations. It contains generic quality system requirements.
- **Standard SP-03. Supplier Management and Due Diligence Requirements.** This standard is applicable to Organisations that apply a risk-based due diligence system to confirm that the products are compliant with the Sustainability Framework.
- **Standard SP-04. Requirements for Claims and Seal Use.** This standard regulates claims and use of the Preferred by Nature Seal related to the Sustainability Framework Programme. It also contains the requirements related to carbon compensation, that is a prerequisite for the use of the Seal.
- **Standard SP-05. CoC and Traceability Standard.** This standard contains requirements for chain of custody models and traceability systems used to manage claims and trace products in the supply chain.
- **Standard SP-09. Terms and Definitions.** This standard contains definitions and concepts used in the Sustainability Framework Programme.

Seal use and carbon compensation

The Preferred by Nature Seal can only be used under the following conditions:

- Verified products are traded and manufactured under a segregation chain of custody model; and
- Carbon compensation has been undertaken.



Scope

This Standard applies to both verified and applicant organisations who want to make claims related to compliance with the Sustainability Framework. Sustainability Framework verification under this Standard is required for (and including) organisations involved in the final product's processing and/or packaging. Organisations involved in transporting, distributing and selling products after the final product is packaged and labelled do not need to be verified under this Standard.

This Standard does not apply to organisations working with the Preferred by Nature Sustainability Framework Programme but not holding or applying for a verification certificate.

Versions history

Version 1.0, August 2022

Version 1.3, 13 January 2023

Terms and definitions

Note: See also "The Chain of Custody Standard" for additional terms and definitions.

Claim

A message used to describe or promote a product, process, business or service concerning its sustainability attributes or credentials.

EUDR

European Union Deforestation Regulation (referred to as "EUDR" further in this document)

- an European Union law on deforestation-free products, aiming to reduce deforestation and forest degradation by setting targets for commodities linked to a high risk of deforestation, such as soy, beef, palm oil, rubber, timber, cocoa and coffee.

Final product

A product where no further modification (including repacking) of the product occurs. The significance of the final product is that product labelling is usually added in the final production or packaging stage and no further labelling of the product takes place at later stages (e.g. during distribution, wholesale and retail sales). Companies involved in transporting, distributing and selling products after the final product is packaged and labelled do not need to be verified under this Standard.

Marks

Any visual and/or textual reference to the Sustainability Framework and products associated with the Sustainability Framework. Marks can contain a product-related claim, the Preferred by Nature Seal, additional explanation or reference to external sources and other information.

Seal

In the context of the Sustainability Framework, the term 'seal' refers to the Preferred by Nature visual round hummingbird illustration.



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.

1. General requirements

Requirements

1.1. Organisation shall have a valid verification certificate to make Sustainability Framework related claims about products and procurement, and to use the Preferred by Nature Seal.

Guidance

Organisations working with the Sustainability Framework tools that are not certificate holders cannot make any product-related claims covered by this Standard.

1.2. Organisation is responsible for compliance with applicable national labelling and consumer protection regulatory obligations.

If legal labelling and consumer protection requirements contradict this Standard's requirements, Organisations should reach out to Preferred by Nature to determine appropriate claims.

2. Segregation model

Requirements

2.1. Products managed under the segregation model may carry the following claim: "Sustainability Framework Verified".

Guidance

The Organisation is permitted to claim that products complying with the chain of custody requirements for the segregation model are Sustainability Framework verified.

The claim is product related and can be used both on-product and off-product when connected to the product (e.g. in sales catalogues, on a homepage promoting the product, etc.).

2.2. When the product or the claimed component is traceable back to a country or sub-national region of harvest, or a pool of countries/regions, the organisation may use the following related claims:

- Indicate the source of the material ("Source: X"); and/or
- Carry the additional claim: "Traceable back to the country (-ies)/region(-s) of the harvest".

NOTE: This is an optional requirement for organisations that want to claim a specific source of the material. However, when an organisation chooses to claim the source, they shall do it consistently and have related systems to ensure accuracy in the claim.

For example:

On a coffee bag:

"Sustainability Framework Verified
Source: Guatemala"

On a chocolate beverage:

"Sustainability Framework Verified Cocoa
Source: Ghana, Western and Central regions"

On a shoe including natural rubber:

"Sustainability Framework
Verified Natural Rubber
Traceable back to the countries of harvest
(Vietnam, Ivory Coast, Malaysia)"

Requirements

2.3. When the product is traceable back to a plot of land or a pool of plots of land, related claims may:

- Indicate the source of the material (“Source: X”); and/or
- Carry the additional claim: “Traceable back to the source”
- For cocoa, rubber, soy, beef, timber and palm oil, products may carry the additional claim: “In line with EUDR traceability requirements”.

NOTE: This is an optional requirement for organisations that want to claim a specific plot of land or pool of plots of land of the material. However, when an organisation chooses to claim the source, they shall do it consistently and have related systems to ensure truth in the claim.

2.4. Product claims shall always specify the verified raw material in the following cases:

- For multi-components products,
- If there can be any confusion about what the claim refers to.

Guidance

For example:

About a timber piece of furniture:
“Sustainability Framework Verified
In line with EUDR traceability requirements”

On a fruit beverage:
“Sustainability Framework Verified
Strawberries, Bananas and Apples
Traceable back to the source”

On mango liquor:
“Sustainability Framework Verified Mango.
Source: Farm X”

Multi-component product claims shall always clarify which component(s) is/are verified.

For example, in cases of a chocolate drink with cocoa being the core component, the claim shall specify that it is the cocoa that is compliant: “Sustainability Framework Verified Cocoa”.

In some situations, it might not be apparent to the stakeholder receiving the claim to which part of the product the claims apply. For instance, if only the packaging is verified, the claim must clearly indicate this.

3. Mass balance model

Requirements

3.1. Products managed under the mass balance model may be accompanied by the following claim: “Sustainability Framework Credit”.

3.2. The claim shall be accompanied by the following statement or an equivalent statement: “The mass balance model used for this product means that it might not contain verified content. Find out more at: [URL for Preferred by Nature page].”

Guidance

Note that claims under the mass balance model are intended as business-to-business (B2B) claims only, enabling companies to demonstrate sustainability commitments. Claims under the mass balance model are NOT allowed as consumer-facing claims on final products.

Stakeholders receiving the claim must understand that it may not contain physically verified material. They should have easy access to further information.

Requirements

3.3. Use of the Seal is not permitted for products managed under the mass balance model – neither as on-product nor off-product.

3.4. The claim shall specify the verified raw material/commodity:

- If the product is a multi-component product,
- If there can be any confusion about what the claim applies to.

Guidance

The Seal cannot be affiliated with products managed under the mass balance model.

3.5. For example, if only the packaging is verified, it must be clearly indicated.

4. Off-product claims

Requirements

4.1. For products sold with a Sustainability Framework claim, the organisation shall ensure that sales documentation (either physical or electronic) provided to customers includes the following information:

- Name and contact details of the organisation,
- Certificate number of the organisation,
- Name and contact details of the customer,
- Date of issuance,
- Clear description of the products,
- Quantity of products,
- Clear indication for each product, of the relevant product claim.

4.2. All other off-product claims:

- Use the correct applicable product claims,
- Indicate clearly to which products they are related and
- Indicate the certificate code of the organisation.

4.3. Off-product claims for traceable products under the segregation model may also indicate the applicable source(s) of the raw material, where relevant.

Guidance

Sales claims are off-product claims. They are especially important if the following entity wants to pass on those claims and/or has its own sustainability commitments.

Off-product claims to customers or the public can be product descriptions on a website, store shelves, product catalogues etc.

Available claims depend on the chain of custody model chosen and other elements, as described above.

For example, invoices or attached documents may indicate the known sources of the raw material.

Requirements

- 4.4.** For any products claimed to be “In line with EUDR traceability requirements” in the course of business-to-business (B2B) trade, the Organisation must provide information on the plot of land (or the pool of plots of land) from where the raw material originates or may originate. Such information must be included so that it is clearly associated with sales documentation and specific products.



NOTE: This requirement applies only to companies that want to use this Standard to demonstrate alignment with the EU Deforestation Regulation (EUDR).

Guidance

The EUDR obligates companies to ensure that information on the plot of land of the raw material origin is available for the applicable material and products.

For compliant products, this information must therefore be passed on by all companies in the supply chain.

For many products, it is common for material from several plots of land to be mixed during production or processing. The only way to pass on the information in these cases is to provide a full list of plots of land from which the material may originate.

5. On-product claims

Requirements

- 5.1.** On-product identification marks applied to raw or semi-finished products for the purpose of identification and segregation only, may be applied. Such marks:
- Are exempt from the approval process,
 - Shall be added in such a way that they do not reach the final consumers.

- 5.2.** The Preferred by Nature Seal shall not be used for the purpose of segregation marking, except in cases when all the applicable requirements related to the use of the Seal are complied with, including the carbon compensation-related requirements (see section 9).

- 5.3.** On-product claims and the Seal applied to finished products are allowed only for products from the segregated chain of custody model.

- 5.4.** On-product claims and Seal applied to finished products shall include:
- The appropriate product claim and
 - The certificate code of the Organisation.

Guidance

For example, segregation marking can be added on bulk packaging of shipment pallets or included in other ways that will not reach final consumers. It shall not be included in the final product packaging, in which the product will be placed on the retail market.

The use of the Seal is not designed for temporary segregation markings. Should an Organisation wish to use the Seal for segregation marking, all applicable requirements for the Seal use must be complied with.

Seal use is not allowed for products issued from the mass balance model.

Available product claims are described above.

Requirements

5.5. On-product claims related to the material's traceability may include the product's relevant sources. At the minimum, such origin information shall be made available to the customers on request.

NOTE: This requirement is additional to off-product claims requirements to provide information on the plots of land for any products claimed as being "In line with EUDR traceability requirements" in the course of B2B trade.

5.6. The Seal shall only be applied to finished products after the carbon emissions have been appropriately compensated.

5.7. Sustainability Framework marks may be accompanied by additional descriptive text. Such text shall be accurate and easy to understand for stakeholders receiving the information.

Products issued from the segregation model may be accompanied by the following statements or similar: "The [commodity/ingredients] contained in this product has/have been verified as conforming with the Sustainability Framework.

Products issued from the mass balance model may be accompanied by the following statements or similar: "Verified [commodity] has been mixed with other materials in the supply chain."

Guidance

It is recommended but not mandatory that products carrying the claim that they are traceable back to a country, sub-national region or plot of land (or a pool of sources) also carry the indication of such sources. At the minimum, this information is required to be available to customers upon request.

See the section below for rules on carbon emissions compensation. For multi-component products, the carbon footprint of the whole product must be compensated. See more info in the section with carbon compensation requirements.

Reference on where to find additional information may always be added: www.preferredbynature.org

6. Claims and Seal use approval

Requirements

6.1. All uses of claims and the Seal related to the Sustainability Framework shall be submitted to Preferred by Nature for approval before use.

Guidance

The only exception is that segregation and temporary identification marking do not need to be submitted for approval.

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.



7. Carbon emissions compensation

Requirements

- 7.1.** Organisations choosing to use the Preferred by Nature Seal must ensure that the product's carbon footprint is fully compensated before using the Seal.
- 7.2.** The Organisation shall purchase and retire a number of carbon credits equivalent to the total carbon footprint of the verified product for which the claims are made.
- 7.3.** The credits shall be purchased and retired, either:
- Upon production of the products and as they are stocked for further distribution,
 - Before the product carrying the Seal is sold to customers or
 - Within a maximum of 12 months from the date of sale for products where the amount or volume of sales is uncertain.
- 7.4.** The Organisation shall use one of the following options to determine the size of the carbon footprint of the product:
- If the footprint of the actual product is known, this must be used as the basis. The Organisation must verify and maintain the related information. The information must be of such quality and clarity that enables an independent body to verify the accuracy of the footprint data (see calculation requirements in Annex I of this Standard).
 - If the actual product's footprint is unknown, the Organisation may use the default global conservative value for the product, using the Preferred by Nature published reference list.

NOTE: Given a wide range of footprint values depending on the specific situation, the general reference values have been set to be very conservative, meaning the default values are very high. Thus, it may often be advisable to calculate and use actual figures.

Guidance

Compliance with this section is required for all cases when the Seal is used. The carbon compensation requirements are not mandatory if companies do not want to use the Seal and only want to make claims related to compliance with the Sustainability Framework.

Guidance for multi-component products. The compensation amount must cover all the materials/components of the verified product. Even where only one/some of a product's components are verified against the Sustainability Framework, the carbon emission compensation shall be done for the whole product.

When the credits are retired based on actual sales, the Organisation shall know the carbon projects from which credits will be purchased and shall have sufficient information and agreements in place before the sale to ensure compliance with all applicable requirements in this section and related to carbon compensation.

Annex I provides additional requirements for the scoping and calculating of the footprint in the case of following the first option under 7.4.

The reference list will soon be published on the Preferred by Nature homepage. The link will be added here to an updated version of this document.

In the second scenario, if Preferred by Nature's published reference list does not contain the relevant product, the Organisation may contact Preferred by Nature for a conservative reference value.

Requirements

In the case of the second option, some products may not be included in the reference list. You may contact Preferred by Nature for more information on such products.

- 7.5.** The Organisation shall ensure that all credits used for compensating the carbon footprint meet the following requirements:
- Represent genuine, additional, permanent GHG emissions reductions,
 - Are unique and not double counted,
 - Entail no carbon leakage,
 - Are verified by a qualified and independent third-party verifier,
 - Are issued only after emissions reductions linked to the carbon project have occurred, unless noted as otherwise per the applicable carbon standard,
 - Are retired within 12 months from the date of purchase,
 - Are supported by publicly available project documentation (including quantification methodology as well as validation and verification procedures),
 - Are stored and retired in an independent and credible registry; and
 - Demonstrate that any benefits to local beneficiaries (e.g. farmers) and sustainable development goals have been realised and shall continue at least through the completion of the project, when applicable, based on appropriate documentation and management.

Guidance

For the Organisation, it means typically purchasing credits from carbon projects which have been verified by known and credible carbon project validation and verification schemes. Preferred by Nature does not prescribe the list of carbon project schemes that are acceptable.

However, some examples of carbon project validation and verification schemes that would ensure alignment with these criteria when publishing this Standard are Gold Standard, VERRA Verified Carbon Standard (VCS) and Plan Vivo. This list is not exhaustive.





Organisations selecting to work with a limited number of sustainability requirements (a 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 working with Preferred by Nature on specific elements of their sustainability efforts or those not pursuing 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 about the Sustainability Framework shall be limited to describing the nature and scope of the collaboration with Preferred by Nature.

Annex I. Carbon footprint calculation requirements

Under requirement 7.4, when the product's footprint is known, the calculation of such footprint must meet the below requirements. At a minimum, the product should include emission sources in **Figure 1** below **from cradle to gate**. Should the Organisation choose to pursue cradle-to-grave scoping, the required emission sources in this scope are also provided in **Figure 1**. These requirements apply to both physical products and services, such as accommodation by hotels. For simplicity, the term "product" is used below and should be considered to refer to both products and services throughout this Annex.

1. Defining the boundaries of carbon footprint

1.1. Defining carbon footprint boundaries

- 1.1.1. The Organisation shall define the product, the service provided by the product and an appropriate unit of analysis.
- 1.1.2. The Organisation shall define all attributable processes within the product life cycle that generate emissions. At a minimum, the footprint shall be cradle-to-gate.
- 1.1.3. The Organisation shall identify, list and include in its scope, at minimum, the required emissions sources across its value chain indicated in Figure 1 for product footprints.
- 1.1.4. The Organisation shall report all GHGs applicable in CO₂ equivalents to the scope of the carbon footprint. The Organisation shall, at minimum, account for seven major GHGs: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃.
- 1.1.5. Emissions projected to amount to less than 1% of the total anticipated carbon footprint may be left out.
- 1.1.6. Emissions considered unfeasible to quantify or associated with unreasonably complicated or costly data collection may be left out in justified cases, provided total emissions excluded do not account for more than 5% of the total anticipated carbon footprint.
- 1.1.7. To account for any emission sources left out (1.1.5 and 1.1.6), the Organisation shall add an emission buffer to the total carbon footprint proportionate to the exclusions and any perceived margin of error.
- 1.1.8. Any excluded emissions, including carbon-intensive activities that have been outsourced, shall be justified and documented.

2. Calculation of carbon footprint

2.1. Identifying emission sources

- 2.1.1. The Organisation shall include Scope 2 emissions based on both the emissions factors from contractual instruments (market-based method) and the average energy generation emission factors for a defined geographic location (location-based method).
- 2.1.2. The Organisation may include biogenic carbon stored in final products that is not released to the atmosphere based on the carbon stored in the product after the 100-year assessment period. Assumptions and calculations of the storage profile shall be documented.
- 2.1.3. Avoided emissions shall not be included in the inventory and may not count towards reducing the footprint.

2.2. Choosing calculation methods

- 2.2.1.** The Organisation shall justify method(s) for calculating carbon footprint (e.g. sector-specific calculation tools, spreadsheets etc.).
- 2.2.2.** The Organisation shall use the most accurate calculation method.
- 2.2.3.** When an updated sector or product-specific rules exist, these should be applied.
- 2.2.4.** Carbon footprint calculations shall be made exclusive of any purchases of carbon offsets.

2.3. Collecting emission data, choosing emission factors and calculating results

- 2.3.1.** Carbon footprint shall be based on primary data for all processes owned or operated by the Organisation attributable to the product. For other processes, including those involving indirect emissions, the Organisation shall use primary data if available and otherwise use secondary data from a relevant and authoritative source.
- 2.3.2.** The Organisation shall identify and justify the method for collecting emission data across the product life cycle, the data sources, emissions factors and any techniques used to collect data via sampling or estimation.
- 2.3.3.** GHG emissions shall be calculated using emission factors from reliable and updated sources (e.g. government agencies or industry associations) where quantifications are based on calculations (e.g. activity data is multiplied by an emission factor) instead of direct measurement of emissions.
- 2.3.4.** The Organisation shall use emission factors relevant to the process or activity concerned and current at the time of quantification (e.g. kgCO₂e per kWh for the year under calculation), whenever possible.
- 2.3.5.** The Organisation shall convert emissions data into CO₂ equivalent through Global Warming Potential (GWP) factors.
- 2.3.6.** Carbon footprint shall be expressed in relation to the specified unit of analysis in kgCO₂e or in tCO₂e (e.g. kgCO₂e per single production unit or per m³ of product) and in absolute terms as an amount of tCO₂e.
- 2.3.7.** The Organisation shall update its carbon footprint annually to account for material changes.

2.4. Allocations

- 2.4.1.** The Organisation shall avoid or minimise allocations where possible. It can be done by gathering additional product-specific data from value chain partners, developing models to estimate emissions related to products produced, subdividing a common process to distinguish product inputs and outputs or expanding the system boundaries.
- 2.4.2.** If allocations cannot be avoided, they shall be based on a physical relationship (e.g. mass, volume, number of outputs) or on an economic relationship as a second alternative.
- 2.4.3.** The Organisation shall identify and justify allocation methods.
- 2.4.4.** For allocations of recycled input or recyclable output, the Organisation shall use the recycled content or closed loop approximation method, or sector/product-specific rules.

Figure 1 below outlines emission sources required or to be considered when defining Product Carbon Footprint. Exclusions related to any required *life cycle* stage shall be justified and documented.

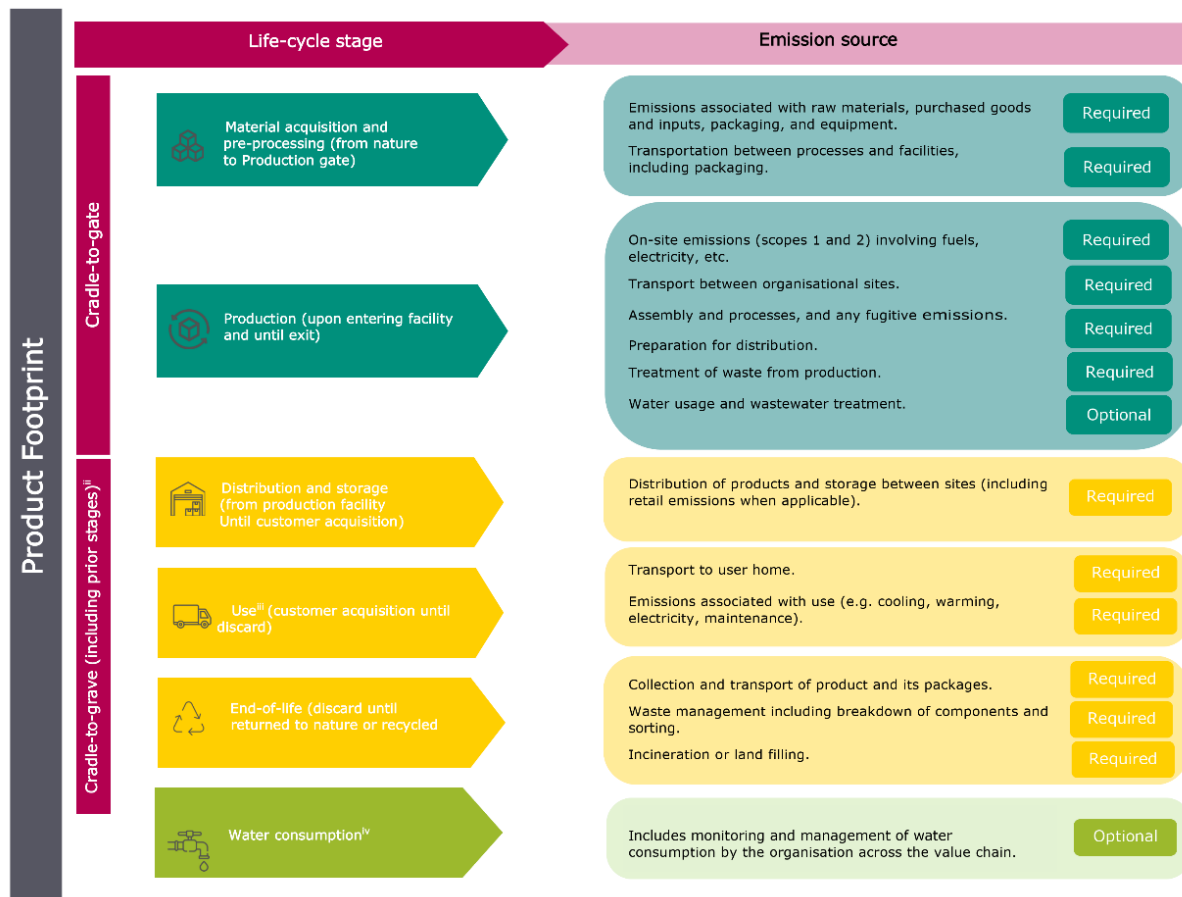



Figure 1: Required emission scopes for carbon footprint verification (Emission sources, including use and end-of-life, only apply to cradle-to-grave)

ⁱ Raw materials also refer to emissions from land use change when significant impacts are observed, or sources are material to production processes.

ⁱⁱ Not required for cradle-to-gate.

ⁱⁱⁱ Although a more difficult stage to evaluate, this is where significant emissions may occur due to energy consumption, for example.

^{iv} Monitoring water consumption is recommended if no water management plant exists for the product.



Preferred by Nature 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 the forest, agriculture and climate impact commodities, and related sectors, such as tourism and conservation.

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