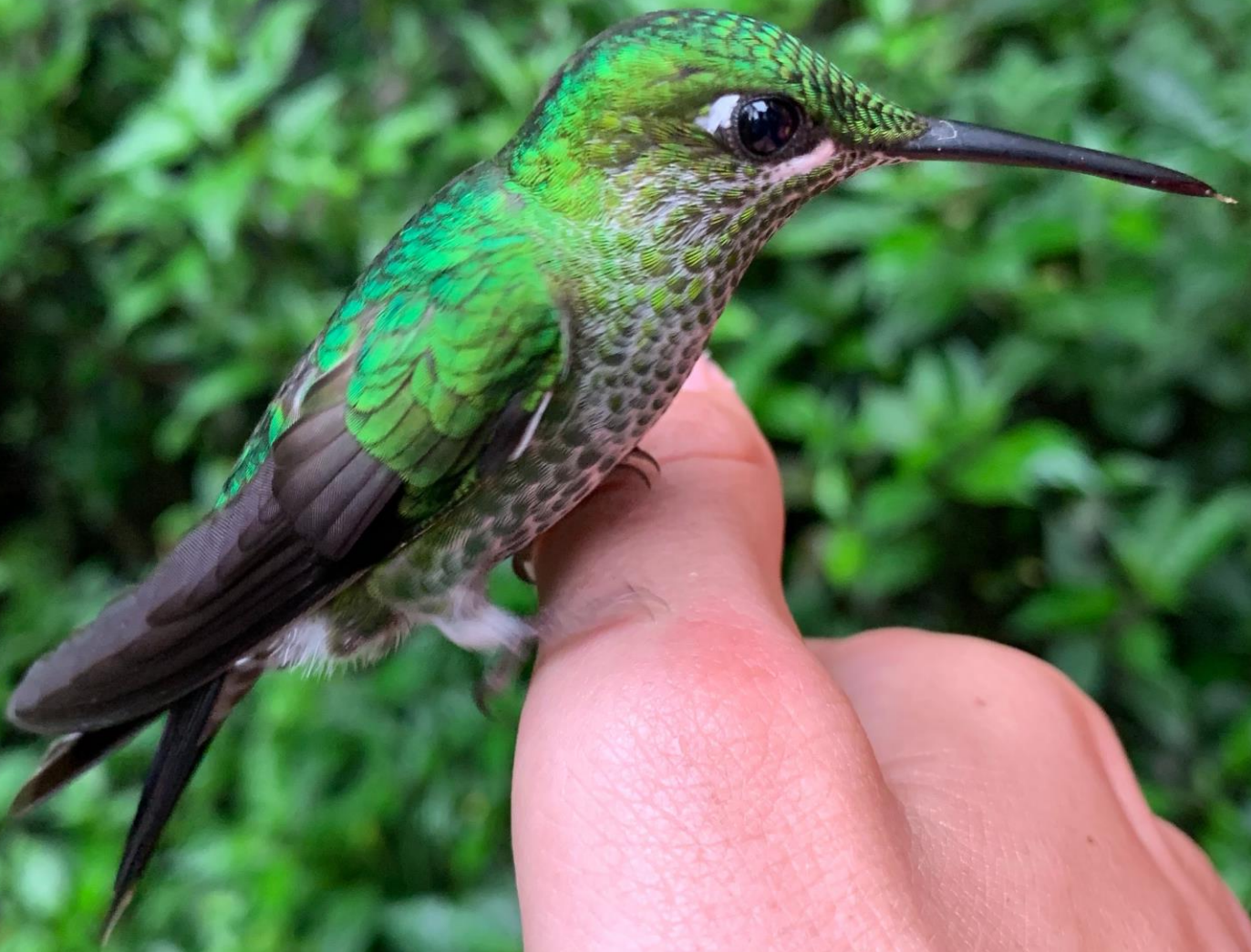


# Requirements for claims and seal use

## Sustainability Framework Programme



Title:	Claims and Seal Use Standard
Scope:	Global
Status of document:	Final, version 1.0
Date:	23. August 2022
Approval body:	Preferred by Nature
Contact person:	Chloe Viala
Contact email:	<a href="mailto:cviala@preferredbynature.org">cviala@preferredbynature.org</a>



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## Introduction

This Standard contains requirements and 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 and perceived accurately.

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.

### 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 both to verified and applicant organisations who want to make claims related to compliance with the Sustainability Framework. Sustainability Framework verification under this standard is required until (and including) organisations who are involved in the processing and/or packaging of the **final product**. Organisations involved in transporting, distributing and selling the products after the final product is packaged and labelled do not need to be verified under this standard.

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

## Terms and definitions

**Note:** See also the CoC 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.

**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 the 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 to 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 etc.

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



100+

countries where we work to support sustainability commitments



85m+ ha

of the world's forests certified by Preferred by Nature



2m ha

of the world's farms certified by Preferred by Nature



100+

protected areas established with our contribution



94%

of global timber production covered by our legality risk assessments & free tools for responsible sourcing



## General requirements

### Requirements

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 product-related claims covered by this Standard.

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

Should applicable labelling and consumer protection requirements contradict this Policy's elements, organisations should reach out to Preferred by Nature to determine appropriate claims.

## Applicable product-related claims

### A. Segregation model

#### Requirements

3. 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 it can be used both on-product and off-product but related to the product (e.g. in sales catalogues, on the homepage when promoting the product).

4. 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:** Optional requirements for organisations who 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 truth in the claim.

E.g.

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

5. 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:** Optional requirements 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.

6. 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 is referring to.

### a. Mass balance model

## Requirements

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

8. 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].”

9. Use of the Seal is not permitted for products managed under the mass balance model – neither as on-product or off-product.

10. 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

E.g.

On 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.

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

## Guidance

Note that claims under the mass balance model are intended as business-to-business (B2B) claims to demonstrate companies’ commitments to sustainability. Claims under the mass balance model are NOT designed 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.

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

E.g. if only the packaging is verified, this must be clearly indicated.

## How to apply product-related claims

### C. Off-product claims

#### Requirements

#### Guidance

**11.** 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.

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.

**12.** 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.

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

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

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

E.g. invoices or attached documents may indicate the known sources of the raw material.

**14.** For any products which the organisation claims to be “In line with EUDR traceability requirements”, the organisation must include 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 presented with the sales documentation and associated with the products.

The EU draft regulation on deforestation 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 that material from several plots of land is 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.



## D. On-product claims

### Requirements

### Guidance

<p><b>15.</b> On-product identification marks applied to raw or semi-finished products for the purpose of identification and segregation may be applied. Such marks:</p> <ul style="list-style-type: none"> <li>• Are exempt from the approval process;</li> <li>• Shall be added in such a way that they do not reach the final consumers.</li> </ul>	<p>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.</p>
<p><b>16.</b> 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).</p>	<p>In principle, 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.</p>
<p><b>17.</b> On-product claims and Seal applied to finished products are allowed only for products from the segregated chain of custody model.</p>	<p>Seal use is not allowed for products issued from a mass balance model.</p>
<p><b>18.</b> On-product claims and Seal applied to finished products shall include:</p> <ul style="list-style-type: none"> <li>• The appropriate product claim; and,</li> <li>• The certificate code of the Organisation.</li> </ul>	<p>Available product claims are described above.</p>
<p><b>19.</b> 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.</p> <p><b>NOTE:</b> This does not change or overrule the separate requirement to provide info on the plots of land for any products claimed as being "In line with EUDR traceability requirements".</p>	<p>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.</p> <p>At the minimum, this information is required to be available to customers upon request.</p>
<p><b>20.</b> The Seal shall only be applied to finished products when carbon emissions have been appropriately compensated.</p>	<p>See the section below for rules on carbon emissions compensation.</p> <p>For multi-component products, at least the carbon footprint of the verified ingredient(s) must be compensated.</p>

## Requirements

## Guidance

21. 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."

22. Reference on where to find additional information may always be added: [www.preferredbynature.org](http://www.preferredbynature.org)

## Claims and Seal use approval

### Requirements

### Guidance

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

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

## Carbon emissions compensation

### Requirements

### Guidance

24. Organisations choosing to use the Preferred by Nature Seal must ensure that the product's carbon footprint is fully compensated before using the Seal.

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.

25. The Organisation shall purchase and retire an amount of carbon credits equivalent to the total carbon footprint of the verified product or the verified component(s) of the product for which the claims are made.

Guidance for multi-component products.

At a minimum, the compensation amount must cover all the material of the verified part of the product.

For multi-component products, the organisation must anyway specify which material is verified (e.g. the Sustainability Framework verified timber if the claim is made for a piece of furniture that also has non-timber components). Thus the claim applies to timber rather than the whole product.

## Requirements

26. 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.

## Guidance

In line with this, the compensation requirement also applies, at minimum, to the material of the claimed components.

Organisations may, of course, choose to compensate for the entire product, however, there will be no differentiation in the allowed claims.

Interested organisations may also choose to be verified under the separate Preferred by Nature Carbon Footprint Management (CFM) Standard, which allows additional claims and labels for the whole product.

In case the credits are retired based on actual sales, the organisation shall know the carbon projects from where 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.



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.

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 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.



## Requirements

27. 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.
- 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:** In the case of the second option, if the product is not on the reference list, you may contact Preferred by Nature for a conservative reference value.

28. 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

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 the Preferred by Nature published reference list does not contain the relevant product, the organisation may contact Preferred by Nature for a conservative reference value.

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 which would ensure alignment with these criteria are Gold Standard, VERRA Verified Carbon Standard (VCS) and Plan Vivo. This list is not exhaustive.

## About us

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 the forest, agriculture and climate impact commodities, and related sectors such as tourism and conservation. Learn more at [www.preferredbynature.org](http://www.preferredbynature.org)

## Contact

Chloe Viala | Traceability Specialist  
[cviala@preferredbynature.org](mailto:cviala@preferredbynature.org)



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