

Summary of Changes to the Sustainability Framework

April 2023



The Sustainability Framework has been revised, including the addition of new requirements, removal of others and revision of wording and scope in other areas.

Some key changes have been made in order to address gaps in the previous version of the Framework, and others to adjust or expand the scope. The following issues have been essential in this revision.

1. EU Deforestation Regulation: Political agreement within the EU was reached in relation to the proposed EU Deforestation Regulation¹. The Sustainability Framework has been revised based on the [latest text](#) of the [EU Deforestation Regulation](#)² adopted by the European Parliament on 19th April 2023.

This latest version includes significant changes to the regulatory text, that did not appear in previous drafts of the regulation or the EU Commission proposal. Resulting revisions to the Sustainability Framework include:

a. Revision, addition to, or clarification of, the scope of relevant categories of legislation included within the scope of the Sustainability Framework. Most of this revision took place at the Indicator level, relevant to various Criteria within Principles 1, 2, and 3. This process served to:

- align with the latest text of the EU Deforestation Regulation;
- provide Preferred by Nature's initial interpretation of the sub-categories of law which might be included within the 8 categories of law which comprise the definition of "relevant legislation of the country of production" according to the latest version of the EU Deforestation Regulation.

b. Adoption of the FAO system of definitions to describe and classify different forest types.

c. Overhaul of Criteria and Indicators within Principle 3 (Nature and the environment are protected) to reflect both the definitions of deforestation and forest-degradation within the latest text of the EU Deforestation Regulation, but also to better demonstrate how and where the full Sustainability Framework extends beyond the boundaries of the regulation.

For example, the Sustainability Framework goes beyond provisions in relation to deforestation, to include conversion of other natural landscapes.

2. Indicators applicable to supply chain

companies: We have significantly reduced the scope of indicators applicable for the supply chain companies handling products from verified farms and forests – marked as processing category in the SF.

¹ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010. See: https://eur-lex.europa.eu/legal-content/EN/HIS/?uri=consil:ST_16298_2022_INIT

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For most supply chain companies, the Sustainability Framework verified products will constitute small proportion of everything they handle.

We want to keep the focus of Sustainability Framework Programme on the products from sustainable land use sources, rather than use it as a programme to verify full sustainability of the entire manufacturing and processing companies.

The industry indicators in the updated Sustainability Framework thus focus on the critical baseline topics, to avoid the products being associated with such worst practices.

3. Preferred by Nature Travel standard: We are also working with the travel sector, and as part of that work, we wanted to include requirements in the Sustainability Framework to address relevant topics for sustainable travel.

Some additional criteria were added, and language was revised in the Framework to accommodate these needs.

4. Human rights: A more comprehensive approach was needed for human rights requirements, and to cover this need, a new criterion was added.

Summary of changes and additions

Following is a short list of the main changes to version 1.3, compared to version 1.23.

Note that some minor revisions, relocation of requirements, rewordings etc. are not included in this list.

A version of the Framework where all changes are noted is available.

1. Income tax requirement removed from criterion 1.3
2. New indicator on fraud added to criterion 1.4
3. New indicator on trade sanctions added to criterion 1.5
4. New criterion 1.6 added on responsible development and management of buildings, infrastructure and activities.
5. New criterion 1.7 added with requirements related to visitors and customer experience and safety

2. 1. New criterion 2.1 added on respect for human rights
2. Wording related to Indigenous Peoples' rights have been changed to be more inclusive.
3. New criterion 2.12 on respect for culture has been added.

3. 1. Criterion 3.1 has been reworded to align with FAO definitions of forests and deforestation.
2. New criterion 3.2 added on avoidance of degradation of natural resources.
3. New criterion 3.3 on conservation of environment and biodiversity. Rewording from the use only of the HCV concept.
4. Added indicator 3.3.5 on invasive species.
5. New criterion 3.6 on prevention of pollution

4. 1. Minor rewording of some criteria
2. Deleted indicator on off-setting, as this is covered in the requirements for GHG emission compensation in the Claims and Seal Use Standard.