

# Policy of Association – Sustainability Framework indicators used for compliance

#### Introduction

Preferred by Nature has updated our Policy of Association as of **19 May 2023** to ensure that partnerships that we embrace are in line with critical sustainability principles.

At Preferred by Nature, we do not discriminate between partners. However, as a mission-driven organisation, we aim to align all our activities with our mission and reserve the right not to work with or be associated with organisations whose activities are in direct and serious violation of certain critical sustainability-related requirements.

The policy has been updated based on Preferred by Nature's <u>Sustainability Framework</u> to define the activities that we will not tolerate.

Inspired by existing sustainability schemes and the need to harmonise, the Preferred by Nature Sustainability Framework has been developed to provide a single framework for defining and benchmarking sustainability that can be used across different commodities. The framework consists of **4 principles** and **31 criteria** addressing various aspects of what we believe should be considered before claiming something sustainable.

A total of **24 indicators** have been used as a basis for our updated Policy of Association. Please refer to the complete list below.

# **Sustainability Framework Indicators**

Used as a basis for Preferred by Nature's Policy of Association

## Area: Responsible business practices

Principle 1. Management and business practices are responsible.

Criterion 1.1 Land tenure and management rights are secure.

1.1.2 Land management rights are in place and registered according to legal requirements.

Criterion 2.2 Management planning and operations are conducted responsibly.

1.2.2 Legal requirements for management and operational activities are complied with.

Criterion 4.4 Corruption, fraud and conflict of interest are avoided.

**1.4.2** All forms of bribery and corruption are avoided.



### Area: Wellbeing of people

#### Principle 2. People's well-being and human rights are respected.

#### Criterion 2.1 Human rights are respected.

- **2.1.1** Human rights are respected as required by international and national law.
- **2.1.2** Harvest or trade in products do not contribute to a violation of international human rights or armed conflicts.

# Criterion 2.2 Child labour is not present and employment of young workers is responsibly managed.

- **2.2.2** Children under the age of 15 (or under age for the completion of compulsory education, whichever is higher) are not employed except within the framework of "Family Farm" work or where covered by the national legislation.
- **2.2.3** Where young workers are employed, the following are met:
  - a) Young workers only work outside of compulsory school hours.
  - b) Young workers do not work more than 8 hours a day.
  - c) Young workers do not work without supervision during night hours.

#### Criterion 2.3 Modern slavery, forced or compulsory labour do not occur.

- 2.3.1 Legal requirements related to *modern slavery*, including forced and prison labour, are complied with.
- 2.3.2 Modern slavery, forced or compulsory labour are not used, promoted or supported in any way.

#### Criterion 2.4 Workers' rights are respected.

- **2.4.1** Legal requirements related to Freedom of Association, the Right to Organise and the Right to Collective Bargaining are respected.
- **2.4.2** ILO convention requirements related to Freedom of Association, the Right to Organise and the Right to Collective Bargaining are respected.
- 2.4.3 Legal requirements related to working hours, overtime, rest time and time off are complied with.
- **2.4.4** ILO conventions requirements related to working hours, overtime, rest time and time off are complied with.
- **2.4.6** Workers are treated respectfully and never subjected to abuse or harassment (including sexual) or verbal, physical or psychological mistreatment.
- 2.4.12 Migrant workers are ensured equal opportunities and no less favourable treatment than local workers.

#### Criterion 2.5 Discrimination does not occur.

**2.5.2** There is no discrimination in hiring, remuneration and access to training, promotion, termination or retirement.



#### Criterion 2.7 Facilities, operations and activities are safe.

- **2.7.5** Personal Protective Equipment (PPE) and tools are available to and used by workers, are in good condition, and are appropriate for the specific activity.
- **2.7.8** 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.
- 2.7.9 Workers have access to appropriate first-aid equipment and medical services, in case of emergencies.

#### Criterion 2.8 Employer-provided housing is safe and hygienic.

2.8.4 Employer-provided housing is safe and hygienic.

#### Criterion 2.10 The rights of *Indigenous Peoples are* known and respected.

**2.10.2** The rights of *Indigenous Peoples* are respected and upheld, following principles of Free, Prior and Informed Consent (FPIC).

#### Criterion 2.11 Communities are supported and their rights are respected.

2.11.2 Legally recognised customary and community rights are identified and respected.

#### **Area: Environment**

#### Principle 3. Nature and the environment are protected.

#### Criterion 3.1 Forests and other ecosystems are not *converted*.

**3.1.4** *Natural Forest* is not degraded or converted to other forest types or *Other Land* AND *Primary Forest* is not converted to *Other Natural Ecosystems* after 31 December 2020.

#### Criterion 3.3 Ecosystems and biodiversity values are identified and protected.

3.3.2 Ecosystem and biodiversity values within the production area are known and maintained or enhanced.