

Chain of Custody Standard

v2.0

For Stakeholder Consultation

Preferred
by Nature
Certification



Title	Chain of Custody Standard
Document code	PBN-05
Scope	Global
Status of document	DRAFT
Version	2.0
Date	8 September 2025
Official language(s)	English
Approval body	Preferred by Nature
Contact person	Christian Sloth
Contact email	csloth@preferredbynature.org



Preferred by Nature has adopted an [Open Source Policy](#) to share what we develop whenever this may contribute to advancing sustainability.

This work is published under the Creative Commons Attribution Share-Alike 3.0 Unported license. See the license conditions here:

<http://creativecommons.org/licenses/by/3.0/>. Please note that for any use of the Standard, you must credit Preferred by Nature and include a visible link to our website www.preferredbynature.org.

The name Preferred by Nature™ as well as the Preferred by Nature Seal are trademarks owned and protected by Preferred by Nature. Any usage of these names, visual elements or related claims requires prior approval from Preferred by Nature.

Preferred by Nature has adopted an [Open Source Policy](#) to share what we develop whenever this may contribute to advancing sustainability.

Contents

Introduction	4
Scope	4
Terms and definitions	5
Material categories	10
Material handling requirements	11
Chain of Custody models	11
Segregated Model.....	12
Mass Balance Model	13
Origin information.....	14
Geolocation Preserved	15
Source Preserved	15
Requirements for multi-component products	15
Use of claims.....	16
CoC requirements	17
Annex 1. Chain of Custody requirements for land managers	37

Introduction

This Standard sets out the requirements for organisations that take ownership of material inputs and wish to sell products bearing **Preferred by Nature Certification claims**. It covers activities including purchasing, handling, processing, conversion, outsourcing, and sales, through to the production and packaging of final products.

In addition to Preferred by Nature certification claims, this Standard also allows certificate holders to define and manage **custom claims**, provided these are accurate, transparent, and not misleading. Such claims must be clearly distinguished from Preferred by Nature certified performance and origin claims.

The Standard is aligned with the requirements of the **EU Deforestation Regulation (EUDR)**, with specific provisions relating to the management of geolocation data.

This Standard shall be used in conjunction with **other normative documents** of the Preferred by Nature Certification Programme.

All parts of this document are normative unless otherwise stated. The most recent version of any referenced document applies unless explicitly specified. A list of core related documents is provided in **Box 1**.

Scope

This Standard applies to any organisation that takes ownership of materials to be included in the certification scope and makes claims about the certified status of products, based on input material, origin information, or custom-defined attributes. It contains specific requirements depending on the type of activities within scope:

- (a) Land managers certified under PBN-01 are subject only to a limited set of Chain of Custody requirements specific to selling with claims; these are included in an Annex to this Standard.
- (b) Transporters, distributors, or sellers of final products who do not alter the product or its packaging are not required to obtain Chain of Custody certification.

Preferred by Nature has also developed additional modules with further requirements for specific topics, such as Regenerative Agriculture. These are detailed in separate standards called PBN+ modules. The specific claims allowed under each PBN+ module are defined in the respective standards; however, this Standard also regulates the general use of PBN+ claims.

In addition, this Standard allows organisations to define custom claims to communicate product or material attributes not covered by PBNC-regulated claims. These may include scheme-neutral claims or product attributes (for example, “GMO Free”) and may be used either as standalone claims or in addition to PBNC claims. Preferred by Nature will verify the correct handling, traceability, and documentation of such claims, but does not evaluate the underlying performance attributes.

Version history

Version 1.0 | August 2022

Version 1.3 | January 2023

Version 1.4 | September 2023

Version 2.0 | Current draft

Box 1.

Normative Documents for Preferred by Nature Certification

PBN-01. Sustainability Framework

Establishes the principles, criteria, and indicators that land-use managers must follow to demonstrate responsible, sustainable practices, as well as social requirements for supply chain entities.

PBN-02. System Standard

Sets out generic quality system requirements applicable to all Preferred by Nature certified operations.

PBN-03. Due Diligence Standard

Defines requirements for supplier collaboration, supply chain information, risk assessment, and mitigation for due diligence and includes a EUDR specific annex.

PBN-04. Seal Use Standard

Sets requirements and conditions for using the PBN Seal.

PBN-05. Chain of Custody Standard

Specifies requirements for chain of custody models and traceability systems used to manage claims and track products throughout the supply chain.

PBN-06. Terms and Definitions

Provides definitions and concepts used in the Preferred by Nature Certification programme.

PBN-07. Pesticides Policy

Defines PBN's policy on the use of pesticides.

PBN-08. GMO Policy

Defines PBN's policy on the use of Genetically Modified Organisms (GMOs).

Terms and definitions

Certification code

A unique code assigned by Preferred by Nature to all organisations certified under the Preferred by Nature Certification.

Chain of Custody model

The approach taken to control inputs and outputs, along with associated characteristics of the material and related information and claims. This Standard allows two models to be used: Segregated (SG) or Mass Balance (MB).

Chain of Custody system

A Chain of Custody (CoC) system includes measures that define responsibility for the custody of materials and products when these are sourced from one organisation, handled, and then transferred to another organisation within the supply chain. Its purpose is to ensure that specified characteristics (e.g., that the product or a component of the product is Preferred by Nature certified) are indeed those delivered in the output.

Claim

A message used to describe or promote a product in relation to its sustainability attributes or specified characteristics. The term “claimed material” is used in this Standard to denote any material for which the organisation asserts a claim, following the outlined options in this Standard. Preferred by Nature allows different types of claims, depending on the material categories used for input material, the origin information attached to the material, and the CoC model applied.

Component

A part or element of a semi-finished or finished manufactured product. For clarity and brevity, ingredients of food products are also referred to as components in this Standard. For example, a component can be cocoa in a chocolate bar or a specific wooden element in a piece of furniture.

Conformance

In the context of Preferred by Nature Certification, conformance refers to the high likelihood of no violations against the applicable criteria or requirements. However, it is important to note that this does not always guarantee 100% conformance for all aspects. In auditing, sampling is used to assess conformance, and auditors typically also consider the level of risk to effectively cover all audit criteria.

Conversion factor

The ratio between output and input materials for a given product or production process in a specified location. For example, the ratio of sawn timber that can be produced from a unit of roundwood, or the amount of crude palm oil that can be produced from a unit of fresh fruit bunches. The conversion factor represents the loss of volume throughout processing for the primary product.

Core component

The main component in a multi-component product. The core component is the element usually associated with the product. It is typically substantial and often visible or prominent. For example, for chocolate, cocoa is a core component. In case of doubt, please contact Preferred by Nature for clarification regarding whether a component can be considered a core component for a specific product. Proper application of this definition is especially important when dealing with multi-component products and the associated claims.

Custom claim

A claim defined by the organisation, based on the attributes of the input material category. For a custom claim, Preferred by Nature will not evaluate the underlying correctness of the performance attributes of the input material, but will only assess whether the claim is correctly recorded and traced during the receiving, handling, and sale of the material. This may apply in situations where

companies wish to transfer a claim about the product, for example from other types of verification, to their clients.

Custom material category

Material categories with other attributes, defined by the organisation. This could be, for example, “material verified to be free from GMO”, which is used as input material for the production of products sold with the custom claim “GMO Free”.

Date or time range of production

This refers to the period during which trees or agricultural products were harvested. For cattle, it specifically pertains to the date or time range of slaughter. Under the EU Deforestation Regulation (the Regulation), operators are required to collect information on the date or time range of production, as outlined in Article 9 of the Regulation. This information is necessary to determine whether the product is deforestation-free. It applies to relevant products that contain, have been fed with, or have been produced using commodities within the scope of the Regulation. Origins: [EU Deforestation Regulation \(EU\) 2023/1115](#) and [EUDR FAQ April 2025](#).

End user

A person or organisation that purchases the product for the purpose of consuming it or using it for its intended final purpose. End users always purchase final products; however, final products may also be traded between business entities that are not end users, including distributors, traders, and wholesalers.

Establishment

Any premises, structure, or, in the case of open-air farming, environment or location where animals are kept on a temporary or permanent basis. Origin: [EU Deforestation Regulation \(EU\) 2023/1115](#)

EU Deforestation Regulation (EUDR)

Formally, the Regulation [\(EU\) 2023/1115](#). A European Union law aiming to reduce the risk of products linked to deforestation or forest degradation being placed on or exported from the EU market. The Regulation sets due diligence requirements for companies in relation to products that may contain, be made from, or be fed with commodities associated with a high risk of deforestation: soy, beef, oil palm, rubber, wood, cocoa, and coffee.

Final product

A product for which no further modification (including packing or repacking) occurs. Final products may be sold and purchased by distributors and wholesalers, but they will ultimately be sold to end users.

Geolocation Preserved

Material known to originate from a single plot of land or establishment, or from a pool of plots of land or establishments. See also the term **Geolocation**.

Geolocation

The geographical location of a plot of land or establishment, described using latitude and longitude coordinates with at least six decimal places. For relevant commodities other than cattle, if the plot of land exceeds 4 hectares, the geographical location must be provided using polygons — meaning sufficient latitude and longitude points to describe the perimeter of each plot. Origin: [EU Deforestation Regulation \(EU\) 2023/1115](#)

Input material

Material sourced by an organisation for trading, with or without processing activities applied to it. See also the related term **Output material**.

Mass Balance Model

A Chain of Custody (CoC) model in which different material categories are mixed. In the case of Preferred by Nature Certification, Sustainability Scope material and Regulatory Scope material may be mixed. The share of the output material that can be sold with related claims is proportionate to the share of the respective input material categories.

Material category

Classification of input material depending on its level of conformance with established requirements. In principle, there are many different material categories that can be used for different output claims, so these must be clearly defined in the Chain of Custody (CoC) system scope setting. In Preferred by Nature Certification, the following Material Categories apply:

- Material certified against all Sustainability Framework indicators (Sustainability Scope material), and
- Material certified against only the Regulatory Scope indicators of the Sustainability Framework.
- Material certified against PBNC+ modules, which are other optional Preferred by Nature standards supplementing the sustainability requirements in the Sustainability Framework (e.g., Regenerative Agriculture, or Closer to Nature Forestry).

In addition to the Preferred by Nature Certification material categories, clients may define their own custom material categories, which may be used as input material for products sold with a custom claim defined by the certificate holder.

Multi-component product

Products composed of multiple components, such as a table with a glass top and wooden frame, or a chocolate bar containing cocoa, cocoa butter, sugar, and nuts.

Organisation

The entity holding or applying for certification.

Origin claim

A specific claim about the origin data attached to material. In Preferred by Nature Certification, the origin claim may be Geolocation Preserved or Source Preserved.

Other material

Any material that does not meet the requirements of Sustainability Scope material, Regulatory Scope material, or any custom material categories defined by the organisation.

Output material

Material or product sold by an organisation. Processing activities may or may not be applied to it. See also the related term **Input material**.

Outsourcing

Subcontracted manufacturing or other handling services of materials/products by an independent third party. The organisation to which the handling or processing is outsourced is called a **Sub-contractor**.

Performance claim

Refers to the characteristics of the material connected to the level of conformance with specified requirements. For example, the Sustainability Framework contains the performance requirements related to the Sustainability Scope and the Regulatory Scope performance claims.

Plot of land

An extension of land within a single real-estate property, as recognised by the laws of the country of production, which enjoys sufficiently homogeneous conditions to allow an evaluation of the aggregate level of risk associated with commodities produced on that plot. Where applicable in this Standard, the Plot of Land is described by relevant Geolocation data. Origin: [EU Deforestation Regulation \(EU\) 2023/1115](#)

Product

Refers to any component, semi-finished or finished good that is sourced, processed, traded, or sold within the scope of the Chain of Custody system and is eligible for certification claims according to the Standard's requirements.

Regulatory Scope material

Material originating from origins conforming to the subset of regulatory indicators in the Preferred by Nature Sustainability Framework. Such indicators are currently designated as the **EUDR Indicators**. Regulatory Scope material can be used in both the Segregated Model and the Mass Balance Model.

Scope (of CoC system)

Defines the boundaries of the Chain of Custody system in terms of models applied, products included, crops/species/commodities handled, claims covered, sites, and members included.

Segregated Model

A Chain of Custody model in which all material in the chosen material category must be segregated and kept physically separated from all other material throughout the entire supply chain.

Site

A location with geographical boundaries within which products can be handled, produced, or processed.

Source

In the context of Preferred by Nature Certification, the “Source” is a single, clearly defined geographical area or region where raw material is harvested or collected. A defined source may be specified at different levels, such as country, sub-national region (state, county, landscape), farm or forest management unit, plot of land, or establishment (for animals). The key requirement is that it is clearly defined and used consistently in claims.

Source Preserved

The origin claim about the material “Source” which specifies a single source for the material. This could be a country, sub-national region, or other specification of the origin area.

Sub-contractor

An external entity involved in handling or processing products or material covered by the scope of the Chain of Custody system under an outsourcing agreement with the certified organisation.

Sustainability Scope material

Material originating from, or proportionate in volume to, origins conforming to all the Preferred by Nature Sustainability Framework requirements.

Transactions database

A database allowing volume reconciliations between material sold by one organisation and purchased by the next organisation in the supply chain. These can, for example, be databases managed by certification schemes, internal databases for vertically integrated companies, or databases provided by third parties.

Table 1: Overview of key aspects of the Preferred by Nature Certification CoC system

Term	Options
Performance claims	<ul style="list-style-type: none"> • PBN Sustainability Scope Certified • PBN Regulatory Scope Certified • PBN+ module claims, e.g., PBN+ Regenerative Agriculture Certified • Custom claims defined by companies (e.g. GMO Free)
Origin claims	<ul style="list-style-type: none"> • Geolocation Preserved • Source Preserved
COC models	<ul style="list-style-type: none"> • Segregation Model • Mass Balance Model
Material category	<ul style="list-style-type: none"> • PBN Regulatory Scope material • PBN Sustainability Scope material • Material meeting the PBN+ module requirements (e.g., material from farms practicing regenerative agriculture) • Custom material categories – company-defined material input categories used for custom claims outputs. (e.g., crops from farms meeting specific requirements) • Other non-defined materials

Material categories

Material categories are defined as the different types of material that can enter into production and serve as the basis for the output claim. Within the Preferred by Nature Certification programme, the following material categories are used:

PBN Sustainability Scope material

Material originating from origins, or proportionate in volume to material, that conform with all applicable requirements of the Sustainability Framework, covering the full set of sustainability indicators. This may include material certified under other schemes, where Preferred by Nature has verified that the scheme provides assurance of conformance with requirements comparable to the Sustainability Scope of the Sustainability Framework.

PBN Regulatory Scope material

Material originating from origins, or proportionate in volume to material, that conform with core indicators relevant to international regulatory initiatives, defined as a subset of indicators in the Sustainability Framework. These regulatory indicators are currently aligned with the EU Deforestation Regulation (EUDR) and are clearly marked as such within the Framework. This may include material certified under other schemes, where Preferred by Nature has verified that the scheme provides assurance of conformance with requirements comparable to the Regulatory Scope.

PBN+ certified material

Material that, in addition to being certified against one of the two Preferred by Nature certification scopes (Sustainability or Regulatory), has also been certified against one of Preferred by Nature's additional standards, such as the Regenerative Agriculture Standard or the Closer to Nature Forestry Standard.

Custom material

Material with attributes defined by the certificate holder, but not regulated under Preferred by Nature Certification.

Other material

Any material that is not confirmed as meeting the requirements of any of the above categories.

Material handling requirements

For every purchase, the organisation evaluates transport documentation to confirm that the information on the documents matches the input material and the quantities received. The organisation records data for all inputs handled under this Standard, including: the supplier's legal entity (with postal address and email, and where applicable, the supplier's certificate code); references to the purchase and transport documents; the date of purchase; a description of the product and — where relevant — the species name (including the scientific name for wood-related products); the quantities received; and the material category assigned.

Input material that is not purchased as Preferred by Nature Certified but is intended to be used as Sustainability Scope material or Regulatory Scope material must first be certified in accordance with the Preferred by Nature Due Diligence Standard before being classified under either category.

The Organisation must define conversion factors for every product or component within scope, using a justified and documented methodology. Records must enable full volume or unit reconciliation between movements of certified materials or products — at reception, during production, and at shipping — and existing stocks before, during, and after production. Where any processing is outsourced, the organisation must ensure that sub-contractors meet all applicable requirements of this Standard.

Chain of Custody models

This Chain of Custody Standard allows organisations to use two different chain of custody models:

- (a) Segregated Model** – where material categories are segregated and kept physically separated from all other material.
- (b) Mass Balance Model** – where the organisation may mix material from different material categories.

Segregated Model

In the Segregated Model, material from the chosen material category is physically segregated from other materials throughout purchase, handling, processing, and sale. To use Preferred by Nature Certification claims, organisations may only use material from two material categories as input under the segregated model: Sustainability Scope material and Regulatory Scope material.

However, if material from both categories is used and mixed, the claim with the lower conformance level must be applied to all output material. This means that in the Segregated Model, the output material always physically contains material that meets the minimum requirements for the output claim.

Organisations have two ways to demonstrate that the input material belongs to the respective material category:

- (a)** Input material purchased with a certified claim (e.g., Preferred by Nature certified – Sustainability Scope or Preferred by Nature certified – Regulatory Scope), or
- (b)** Input material controlled by the organisation itself to conform with the applicable Sustainability Framework requirements via a due diligence process, in accordance with the Preferred by Nature Due Diligence Standard and certified as such by Preferred by Nature.

If only Sustainability Scope material is used as input material, all output material may be claimed as Preferred by Nature certified – Sustainability Scope. If both material categories are used, all output material must be claimed as Preferred by Nature certified – Regulatory Scope. If the organisation uses other input material categories, the output claim will depend on the type of material used.

Input material category	Claim allowed on output material
Sustainability Scope material only	Preferred by Nature Certified - Sustainability scope
Regulatory Scope material only	Preferred by Nature Certified - Regulatory scope
Mix of Sustainability Scope material and Regulatory Scope material	Preferred by Nature Certified - Regulatory scope
Custom input material categories	Custom claims defined, based on the input material category
Other material	No claims

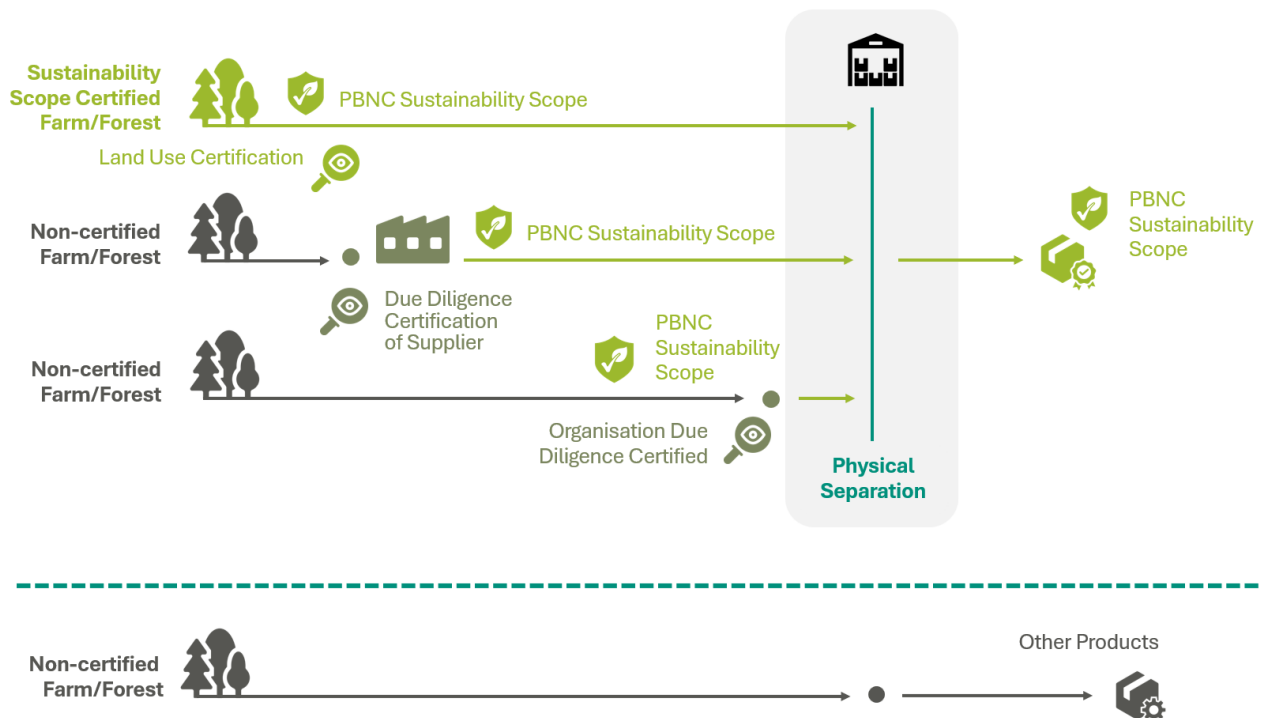


Figure 1: Visual example of the Segregated Model and its permitted input material categories

Mass Balance Model

Under the Mass Balance Model, organisations may use input from several material categories. For Preferred by Nature Certification, Sustainability Scope material, Regulatory Scope material, and material certified against PBN+ modules (e.g., PBN+ Closer to Nature Forestry) may be used as input. The claims that can be made on the output material depend on the type and proportion of input material used from the different material categories.

In the Mass Balance Model, the share of output material that can be sold with a Preferred by Nature certified – Sustainability Scope claim must correspond to the share of input material used from the Sustainability Scope material category.

The Mass Balance Model ensures that the volume sold with each claim corresponds to the volume originating from origins meeting the relevant requirements, also taking into account the conversion factor and any associated loss of volume during processing.

This Standard does not allow the use of the other material category as input for any Preferred by Nature certified output claim. If the organisation also handles other material, it must ensure that such material is not used as input in the Mass Balance Model where Preferred by Nature certified claims are made.

Custom input materials may be managed within a mass balance system, provided that the corresponding custom claims are clearly defined based on the attributes of the custom material categories being mixed.

Credits may be added to the organisation's account based on the input material received under each material category, taking into account the conversion factor. Upon sale of material with a claim, the organisation must deduct the sold volume from the credit account.

Example:

A sawmill uses two material categories as input material: Sustainability Scope material and Regulatory Scope material. For simplicity, the conversion factor is 50%. When the organisation receives 10 cubic metres of roundwood certified as Sustainability Scope material, it may add 5 cubic metres of lumber credits to its credit account. This lumber may then be sold with a Preferred by Nature certified – Sustainability Scope claim. Whenever lumber is sold with this claim, the corresponding volume must be deducted from the credit account. Lumber not sold under the Sustainability Scope claim may be sold as Regulatory Scope material.

As in the Segregated Model, organisations have two methods to demonstrate that the input material belongs to the respective material category:

- Input material purchased as Preferred by Nature certified – either Sustainability Scope or Regulatory Scope; or
- Input Material determined to conform with applicable Sustainability Framework requirements through a due diligence process and certified according to the Preferred by Nature Supplier Management and Due Diligence Requirements Standard.

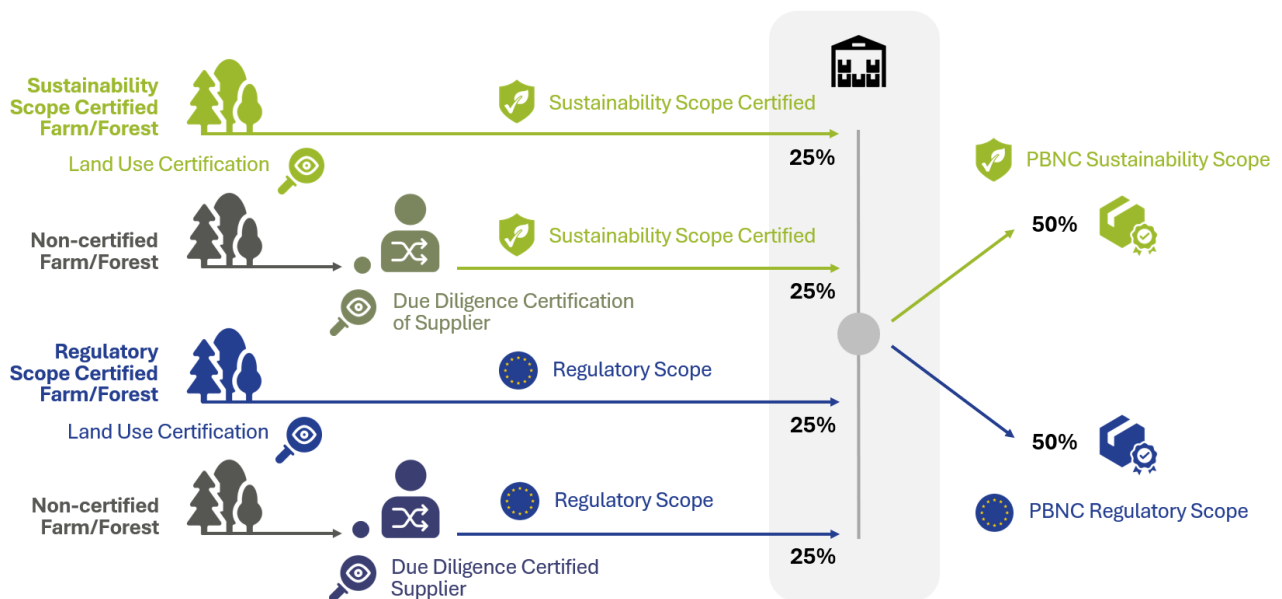


Figure 2: Illustration of the Mass Balance model for PBNC-certified input material categories and output claims

Origin information

This Chain of Custody Standard allows two different options for recording and communicating the

origin of material. Depending on the system implemented to track origin, organisations can sell material with a specific origin claim:

Geolocation Preserved

This model allows the most detailed origin information to be preserved and passed on to buyers. Material is traceable back to the plot of land or establishment from which it originates. Furthermore, the date or time range of production shall be included. The requirements related to this origin option are aligned with the [EU Deforestation Regulation](#) (EUDR). In some supply chains, material from different plots of land or establishments is combined during processing, and the origin information must be aggregated and passed on as a list of geolocations.

Source Preserved

The second option for origin information is called Source Preserved. Under this option, the organisation must define the “source” it wishes to track and make claims about. The source is a clearly defined geographical area with clear boundaries; however, its size is flexible and can be determined by the organisation. For example, the source can be a single estate, cooperative, country, specific region, or legally defined sub-national area (e.g. province or state). The option to track and communicate the source is useful for products where origin information is an important characteristic from a quality or marketing point of view. For example, end users sometimes want to know the source of food products such as wine, coffee, and others.

For material where origin is not tracked, there is no related origin claim.

Organisations may choose to track both **geolocation** and **source** information. For geolocation, the organisation may use either the Segregated or the Mass Balance model. For example, an organisation may choose to use the Mass Balance model to calculate the claims related to material categories and at the same time use the Geolocation Preserved option to communicate and pool the origin of all products sold. For the source, the organisation shall use the Segregated Model and ensure that all material sold with the source claim contains only material originating physically from the specified source.

Requirements for multi-component products

This Chain of Custody Standard and its models can also be applied to multi-component products. A multi-component product consists of multiple components or ingredients. For concise language, the term component is used throughout this Standard as an alternative to the term ingredient, even though ingredient may sometimes be more appropriate in the food sector. For example, cocoa beans are a single-component product. However, a chocolate bar with cocoa, sugar, milk, and other components would be considered a multi-component product.

For **non-final products**, organisations are allowed to make claims about any product component that conforms with this Standard’s requirements. All applicable requirements must be followed for every component regarding which claims are made. When making claims about multi-component products,

the organisation shall specify which part of the product the claim applies to. For example, if cocoa is the certified component of a chocolate bar, the claim shall refer specifically to cocoa.

For claims related to **final products**, the term core component is of central importance. The product's core component is its main component, which gives the product its distinctive nature. When promoting final products that reach end users with claims related to sustainability or regulatory aspects, it is essential that the core component of the product is certified and meets the applicable requirements (see the "Terms and definitions" section for further explanation of the core component).

If a product contains multiple components made from the same material as the core component, all such components must meet the applicable rules.

Use of claims

Claims under this Standard are governed by two aspects: the material categories used as input (including performance certification level and any attached origin information), and the chain of custody (CoC) model applied to control those inputs. Only outputs that are within scope and controlled by the declared model may carry claims.

Preferred by Nature Certification (PBNC) uses the following **options for claim combinations**:

- (a) **Performance claims**: indicate the scope of the certification requirements applied to the material. This Standard covers two types of performance claims: those regulated by the PBNC programme, and custom claims defined by the organisation.
 - **Preferred by Nature Certification claims**: Material certified under the PBNC programme may be sold with a PBNC certification claim. Performance claims can be:
 - **Sustainability Scope** – material certified against all sustainability requirements of the Sustainability Framework, or
 - **Regulatory Scope** – material certified only against the regulatory requirements, as outlined in the Sustainability Framework
 - **PBNC+**: Preferred by Nature has developed additional modules such as Carbon Footprint Certification, Closer to Nature Forestry, Ecosystem Restoration, and Regenerative Agriculture. These may be offered alongside PBNC. Where applied, the module name is added to the two main claim categories (e.g., "PBNC+ Regenerative Agriculture Certified").
 - **Custom claims**: Companies may also define and use their own claims, using this CoC Standard to ensure management of those claims from purchase through handling to sales. Custom claims may be used in addition to PBNC claims (PBNC+) or as separate stand-alone claims.
- (b) **Origin claims**: indicate the scope of data related to product origin. This can be either:
 - **Source Preserved**: material traced to a clearly defined source area, such as a country, region, estate, or cooperative.
 - **Geolocation Preserved**: material traced back to specific plots of land or establishments, using precise geolocation data (aligned with EUDR requirements).

If origin is not tracked, no origin claim may be made.

Interaction of CoC models with claims

Under the **Segregated Model**, outputs carrying a PBN performance claim must be physically derived from inputs of the corresponding material category. If Sustainability Scope and Regulatory Scope inputs are mixed, all outputs may carry only the lower (Regulatory Scope) performance claim.

Under the **Mass Balance** model, PBN performance claims are controlled through credit accounting. The share of outputs sold with a given performance claim cannot exceed the share of inputs from the corresponding material category, adjusted for conversion factors. Other material is not permitted as input under Mass Balance. Origin claims may be used alongside Mass Balance where the corresponding origin data are maintained and communicated.

CoC requirements

#	Requirements	Guidance
1	Definition of the Chain of Custody (CoC) system scope	
1.1.1	<p>The scope of the CoC system is defined and documented according to:</p> <ul style="list-style-type: none"> (a) Material categories of inputs, including the availability and level of origin data (b) The CoC model used for handling certified material (e.g., Segregated or Mass Balance) (c) The output claims to be used, including: <ul style="list-style-type: none"> • Performance claims: Preferred by Nature Certified – Sustainability Scope, Preferred by Nature Certified – Regulatory Scope, or PBN+ Certified (optional add-on standards) • Origin claims: Geolocation Preserved or Origin Preserved • Custom claims defined by the organisation. 	<p>When establishing the scope of the Chain of Custody (CoC) system, the organisation and the auditor must ensure that all key components are clearly defined and documented prior to implementation. These components include the material categories the organisation handles, the availability of origin data for those materials, the CoC model used to manage them, and the types of claims that the organisation intends to make on its outputs.</p>
1.1.2	<p>The material categories used as input are defined according to the following:</p> <ul style="list-style-type: none"> (a) PBN-certified material (Sustainability or Regulatory Scope) (b) Custom input material categories 	<p>Material categories must be defined for each input source. Incoming materials must be classified as:</p> <ul style="list-style-type: none"> (a) PBN-certified (Sustainability or Regulatory Scope)

#	Requirements	Guidance
	<p>(c) Other material (e.g., uncertified or undefined category).</p>	<p>(b) Certified under another recognised scheme, or (c) Uncertified.</p> <p>The classification must be applied consistently across all purchases and supported by appropriate documentation.</p>
1.1.3	<p>The origin data available for different material categories is defined:</p> <p>(a) Geolocation data available (b) Origin data available (c) No origin data available.</p>	<p>For each material category, the organisation must also assess the level of origin data available. This determines whether origin claims such as “Geolocation Preserved” or “Source Preserved” can be used. For instance, “Geolocation Preserved” requires precise plot-level coordinates for the land from which the material originates, while “Source Preserved” may apply where the source is known but not at the coordinate level. If origin cannot be verified, the organisation should designate that input accordingly and restrict its use in origin-related claims.</p>
1.1.4	<p>For each claim category, the applied CoC model is defined as:</p> <p>(a) Segregated Model (b) Mass Balance Model</p>	<p>Based on the nature of the material and the available data, the organisation must select the appropriate CoC model. The Segregated Model requires physical separation of certified and non-certified materials at all stages of processing. The Mass Balance Model, by contrast, allows mixing but uses a credit-based tracking system to ensure that certified outputs never exceed certified inputs.</p>
1.1.5	<p>Output claims are defined based on the input material categories, origin data, and the CoC model:</p> <p>(a) Performance claims (PBN Certified – Sustainability Scope, PBN Certified – Regulatory Scope, PBN+ Certified) (b) Origin claims (Geolocation Preserved or Source Preserved) (c) Custom claims (defined by the organisation)</p>	<p>The organisation must define the output claims it intends to use. This includes selecting from performance claims (such as PBN Certified – Sustainability Scope or Regulatory Scope), optional modular claims (PBN+), and origin claims (such as Geolocation Preserved or Source Preserved). Each claim type must be justified by the combination of input classification, origin data, and the CoC model. The organisation may also define custom claims if permitted by Preferred by Nature, but these must be transparent and verifiable.</p>
2	Material handling requirements	
2.1	Purchasing and management of input materials	

#	Requirements	Guidance
2.1.1	For every purchase of material, transport documentation is evaluated to ensure that the information on the documents matches the input material category and quantities received.	Evaluating and confirming documents, and cross-checking with physical material, is necessary to ensure consistency between purchase and transport records and actual products. This should ensure that no material with unknown characteristics is received, and that it is not potentially mixed with material with defined characteristics.
2.1.2	<p>Data on all purchases of materials used as input material for any chain of custody model under this Standard shall be recorded by the organisation, including the following:</p> <ul style="list-style-type: none"> (a) Name of the legal entity of the supplier (including postal address and email) and, if applicable, the supplier certificate code (b) Reference to the purchase and transport documentation (c) Date of purchase (d) Description of the product and, if applicable, the species name (including the scientific name for wood-related products) (e) Quantities (f) The material category of the material (including existing performance and origin claims attributed to the material). 	<p>A basic set of input material data is required to enable traceability between and within certified organisations. For agricultural products, the type of product or crop should be indicated at a minimum, such as coffee, for example. For timber products, typically, the name of the species is required. The name of the species is required if the species are used to designate the product. For example, when a product is sold as pine lumber, the species must be defined. When selling paper, the species is normally not included in the product description and can be omitted.</p> <p>Organisations aiming to align with the EUDR should ensure quantities are expressed in:</p> <ul style="list-style-type: none"> (a) Kilograms of net mass and, where applicable, in the supplementary unit set out in Annex I to Council Regulation (EEC) No 2658/87 (20) against the indicated Harmonised System code; or (b) In all other cases, the quantity should be expressed in net mass; or (c) Where applicable, volume; or (d) Number of items. <p>All these options are also accepted under this Standard in relation to material quantities.</p> <p>EUDR reference: Art. 9(1b)</p>
2.1.3	Non-PBN-certified inputs may be classified and used as Sustainability or Regulatory Scope material if it is confirmed and documented that these inputs meet the applicable Sustainability Framework conformance level (Sustainability or Regulatory	The organisation must document the basis for classifying any non-PBNC input as Sustainability or Regulatory Scope material, specifying the applicable conformance level and the evidence relied upon. Verification must be completed either through a due diligence assessment that meets Preferred by Nature DDS/EUDR

#	Requirements	Guidance
	Scope requirements); otherwise, they shall be treated as other material.	requirements, or through benchmarking that confirms an external scheme is recognised by Preferred by Nature as equivalent for the relevant criteria and scope; where coverage is partial, additional controls must close identified gaps. Records need to enable linking each purchase to the verification method, data sources, assessment outcome, date, and responsible person, and must be updated at a defined frequency or when suppliers or risks change. Until verification is completed, or if results do not confirm conformance, inputs must be treated as other material and must not carry PBNC claims.
2.2	Material handling and processing	
2.2.1	Conversion factors shall be defined for every product or component included in the certification scope, using a methodology that is justified and documented.	Conversion factors may be expressed in material volume or weight. The organisation must be able to clearly explain and justify the methodology used to calculate the applicable conversion factors. For example, if the organisation is a sawmill purchasing roundwood and is able to produce 1 m ³ of lumber for every 2 m ³ of roundwood purchased, the conversion factor for the lumber is 0.5.
2.2.2	The records used by the organisation shall enable volume or unit reconciliation between movements of certified materials or products (reception, production, shipping) and existing stocks (before, during, and after production).	<p>The organisation must keep auditable records that, for each relevant category, product group, or claim, show opening balance, receipts, issues to production, outputs, shipments, adjustments (e.g., scrap, rework, losses), and closing balance, linked by dates, lot/batch IDs, and documents. Units of measure must be consistent; where conversions are needed, documented conversion/yield factors must be applied so quantities reconcile before, during, and after production.</p> <p>Reconciliations must be performed at a defined frequency (at least per balance period for Mass Balance) and after production runs, with variances beyond set tolerances investigated and corrected; negative balances should not occur.</p>

#	Requirements	Guidance
		Physical stock counts are expected to be compared to book inventory at planned intervals, and differences resolved, demonstrating that outputs with claims do not exceed eligible inputs and, for Segregated Models, that separate stocks are maintained.
2.2.3	If any processing activities are outsourced to an external party, the organisation shall ensure that the sub-contractors also meet all applicable requirements of this Standard.	Sufficient procedures must be in place to ensure that sub-contractors also conform with all applicable requirements of the Standard. To this end, sub-contractors must be aware of relevant requirements, which may be included in the contracts or agreements concluded with the organisation and/or in training or written instructions provided to the sub-contractor.
2.3	Sales and management of output material	
2.3.1	All output material sold shall be accompanied by a specification of the applicable performance and origin claims.	Combining different chain of custody models and material categories results in different claims being available for the output material.
2.3.2	For all output material sold with a Preferred by Nature Certification claim, the organisation shall indicate its Preferred by Nature certificate code on the sales and transport documents and ensure that it is clear which products are covered by the certificate and sold with the claim.	If the organisation includes both products with and without a claim on the same sales and/or transport documentation, it is essential to provide clear information on these documents to eliminate any uncertainty or confusion regarding the claimed products. This also applies when the organisation sells products with various claims on the same documents.
2.3.3	<p>All sales of products with a claim shall be recorded by the organisation, including the following information:</p> <ul style="list-style-type: none"> (a) The claim(s) used (b) Name of the legal entity of the buyer (including postal address and email address) (c) Reference to the sales and transport documentation (d) Date of sale (e) Description of the product and, if applicable, the species name (including scientific name for wood-related products), and (f) Quantities sold. 	<p>Guidance for organisations (CH)</p> <p>Maintain a sales-with-claims register that covers every product sold with any claim (e.g., Sustainability Scope, Regulatory Scope, Source Preserved, or other approved claims). For each entry, record: the exact claim(s) used; the buyer's legal entity name, postal address, and email; invoice or transport references (e.g., invoice number, delivery note, AWB); date of sale; product description or SKU; and, where relevant, the species name (using the scientific binomial for wood products). Include the quantities sold, specifying units.</p> <p>If a shipment contains multiple claims or products, break down the entries by claim and</p>

#	Requirements	Guidance
		<p>product. Link each entry to the corresponding lot or batch IDs and inventory/CoC ledgers. Ensure that recorded amounts reconcile with stock and any mass-balance accounts. Attach or reference supporting documents, and allow corrections through controlled, auditable updates. Digital systems may be used if they maintain unique IDs and are searchable and exportable.</p> <p>Guidance for auditors</p> <p>Verify that a sales-with-claims register exists and contains all required fields. Sample recent sales and reconcile each entry with the corresponding invoices, delivery notes, transport documents, and inventory records. Check that the claim text, buyer identity and contacts, dates, product/species (scientific names for wood), and quantities are accurate. Confirm that quantities do not exceed eligible balances (for Mass Balance) and that documents provided to customers reflect the recorded claim(s). Raise a nonconformity if fields are missing, information is inconsistent, claims are ambiguous, or records cannot be traced to source lots.</p>
2.3.4	<p>The organisation shall ensure that sales of certified products can be cross-checked by Preferred by Nature auditors against buyers' purchases of those products.</p>	<p>This indicator's objective is to ensure no volume discrepancy between sales and purchases of certified products. The organisation must also ensure that auditors can verify the system's credibility for reconciling sales and purchase data and that auditors have access to such information for certification purposes.</p> <p>Various approaches can be used to accomplish this, including, but not limited to, the following:</p> <ul style="list-style-type: none"> (a) The organisation and its clients might already use the same transaction database (from another scheme or an independent traceability service provider). In such cases, auditors should be granted relevant data and access to verify the volume reconciliation between sales and purchases. (b) The organisation's client also holds a Preferred by Nature certificate. In this

#	Requirements	Guidance
		<p>case, auditors will have access to purchase data to cross-check volumes. The organisation must ensure that sales volumes are summarised and shared with the auditors.</p> <p>(c) When the organisation sells to buyers who are not certified, no further actions are needed beyond presenting clear summaries of material sold with the claims.</p>
		<p>Any organisation may use requirements related to geolocation. They have been crafted to align with the EU Deforestation Regulation and may be useful for companies looking to provide materials that are currently or will soon be subject to the requirements of this Regulation. Geolocations of plots of land or establishments need to be passed down the supply chain as geolocation information. The minimum requirement for establishments and farms below 4 ha is at least one latitude and longitude point with at least six decimal digits. Larger plots of land (over 4 ha) must be described using polygons with sufficient points to mark the plot's boundary.</p> <p>EUDR reference: Art. 9(c)(d) and Art. 2(28)</p>
		<p>The level of detail of the information provided about the sources must correspond to the definition of the source as defined by the organisation.</p>
3	Requirements for chain of custody models	
3.1	Segregated Model	
3.1.1	The input material category used under the Segregated Model is defined according to the claim intended for the output material.	<p>Input material categories eligible for use in the Segregated Model are Sustainability Scope material and Regulatory Scope material. If both Regulatory Scope and Sustainability Scope materials are used, only Regulatory Scope claims can be applied. Only Sustainability Scope material must be used as input for the Sustainability Scope claim.</p>
3.1.2	All material used under the Segregated Model is clearly identifiable and	<p>The material used under the Segregated Model must be physically identified and segregated</p>

#	Requirements	Guidance
	physically segregated from other material in all phases of handling.	from all other material from the point of reception up to the point of shipment of products. This may include freeing machinery from other materials before use, managing storage to identify and segregate certified material, or using other means to ensure physical separation. It may also include direct segregation marking or designation of material, machines, and storage areas.
3.1.3	Volumes or weights of output material sold as certified shall not exceed the volumes or weights of certified input material, taking into account the defined conversion factors.	Output volumes or weights of conforming products must not exceed the amount of conforming input used, including any material loss during processing, if applicable.
3.2	Mass Balance Model	
3.2.1	A credit account shall be set up for each individual site and for each product for which the organisation intends to make claims.	Credit accounts must be specific to each site and each product processed or traded. Organisations can make two PBNC claims: Preferred by Nature Certified – Sustainability Scope or Preferred by Nature Certified – Regulatory Scope, depending on the input material used. Where custom claims are used, these must have their own credit accounts.
3.2.2	For each credit account, the organisation shall define: <ul style="list-style-type: none"> (a) The product for the credit account (b) The material category of the input material that will contribute credits to the credit account, and (c) The volume that can be added to the credit account upon reception of the input material from the respective category, taking into consideration the conversion factor of the product in the credit account. 	The material category in PBNC can be either Sustainability Scope material or Regulatory Scope material. To maintain the system's accuracy, conversion factors are critical in determining the amount of credits that may be used to sell claimed products. This requirement also applies to custom claims. In case of doubt, the organisation must use a conservative conversion factor, meaning it should underestimate rather than overestimate the amount of output material per unit of input material produced.
3.2.3	Upon reception of input material from the eligible material category, the organisation may add the volume of the received material, multiplied by the conversion factor, to the credit account.	For example, an organisation that is a sawmill has a credit account for lumber under the Sustainability Scope material category with a conversion factor of 50% (0.5). The organisation receives 50 cubic metres of roundwood confirmed to conform with the

#	Requirements	Guidance
		requirements for Sustainability Scope material. It may add 25 cubic metres of lumber to the credit account ($50 \times 0.5 = 25$).
3.2.4	When products are purchased with claims from multiple certification or verification schemes, the organisation shall select only one claim for the purchased volume before allocating it to a credit account.	This requirement aims to ensure that there is no double-selling of volumes from multiple certification schemes. If claims from multiple schemes are added separately to different records or credit accounts, the initially purchased quantity could be sold multiple times to different buyers. This requirement prevents such cases, as they would result in volumes sold with claims exceeding the volumes purchased.
3.2.5	The sale of products using credits from the credit account shall only occur after the equivalent volume of eligible input material has been received onsite.	This requirement is intended to prevent the Organisation from selling products with a claim without first receiving the actual material that conforms to the requirements relevant to the claim.
4	Requirements for multi-component products	
4.1.1	For all multi-component products within the scope, the organisation shall clearly define each component for which it intends to make claims, including the volume and proportion of each component relative to the total product.	The chain of custody requirements apply to all components for which the organisation wishes to make any claims. It is crucial to specify precisely which parts of the product are subject to the rules and their respective volumes or proportions relative to the entire product.
4.1.2	All components for which claims are made shall adhere to all relevant requirements of the selected chain of custody model.	In the case of the Segregated Model, the input material for the entire chosen component must belong to the material category eligible for use in the model. In the case of the Mass Balance model, the organisation must establish and maintain a credit account for the chosen component. A separate credit account must be established for each product component in the scope.
4.1.3	The organisation may choose to apply the chosen chain of custody model to multiple components made from different materials. In this case, all requirements shall be followed	Example: An organisation makes shoes that contain both leather and rubber. The input material for both leather and rubber comes from one of the eligible material categories (Sustainability Scope material or Regulatory Scope material). The organisation may choose to apply the chain of custody to one or both

#	Requirements	Guidance
	separately for the components from each material.	materials. If the Mass Balance model is being utilised, distinct credit accounts must be established for rubber and leather. This allows for claims to be made about the shoes, specifying the use of both materials.
4.1.4	For products with multiple components of the same raw material, the organisation shall ensure that all applicable requirements of the chosen chain of custody model are applied to every component made from that material.	It is not allowed to claim only one component when the product contains other components of the same raw material. For example, in a wooden chair with a leather seat cover, all timber components must be subject to the requirements of the chosen chain of custody model. However, other materials, such as the leather seat cover, may be excluded from the model rules. In the case of the Mass Balance model, if the product contains multiple components from the same material as the core component, the credit account must cover all these components.
4.1.5	If claims are made related to final products, the product's core component shall be defined, and the core component shall meet all applicable requirements of the chosen chain of custody model.	For example, the organisation is producing a chocolate bar by mixing cocoa, sugar, and milk. In this scenario, cocoa is considered the core component because it is the ingredient that defines the chocolate bar's fundamental characteristics. As the chocolate bar is a final product that will be sold to end users, all the cocoa used as input material must come from the eligible input material category.
5	Claims	
5.1	General claim requirements	
5.1.1	All intended claims shall be documented and clearly justified based on the input material categories, the CoC model used, and the traceability data available for each material category.	It is important that the claims used are clearly related to the material categories used and the CoC model. The organisation should be able to clearly demonstrate how different claims are used for different types of material.
5.1.2	Claims shall specify what the certified material is in the following cases: (a) For multi-component products (b) Whenever there is potential for confusion regarding the material to which the claim applies.	Claims concerning multi-component products must consistently clarify which component is certified. For instance, in the case of a chocolate bar where cocoa serves as the core component, the claim must explicitly specify the cocoa as the certified component. If the cocoa used as

#	Requirements	Guidance
		<p>input material falls within the Sustainability Scope material, the claim would be: Preferred by Nature Certified Cocoa – Sustainability Scope.</p> <p>In certain scenarios, it may not be obvious which part of the product the claim pertains to. For example, if only the packaging is certified, the claim must include a clear explanatory statement indicating this.</p>
5.2	PBNC performance claims	
5.2.1	For products that conform to the performance requirements of the entire Sustainability Framework, the organisation may use the following claim: Preferred by Nature Certified – Sustainability Scope.	<p>The intent is to allow the claim “Preferred by Nature Certified – Sustainability Scope” only on outputs that fully meet the Sustainability Framework and are controlled through the CoC system. The organisation should define which products or components are eligible; classify inputs as Sustainability Scope based on valid supplier claims or its own certified DDS; and maintain receiving, processing, stock, and sales records that reconcile volumes and show the exact claim text and certification code.</p> <p>Under Segregated, the organisation should use only Sustainability Scope inputs for any output carrying this claim; any mixing requires downgrading the claim. Under Mass Balance, the organisation should run a credit account with justified conversion factors so that sales with this claim never exceed available credits, and it should never generate credits from other material. For multi-component products, the organisation should state which component is covered and ensure the core component complies.</p> <p>The organisation should not imply use of the PBNC Seal; if the Seal is used, Seal use requirements must also be met.</p> <p>Auditors should find a clear scope and product list, supplier certificates or DDS certification records, segregation or mass balance ledgers with reconciliations, and sampled invoices or packing lists showing the precise claim text.</p>
5.2.2	For products that conform to the Regulatory Scope performance	The intent is to allow the claim “Preferred by Nature Certified – Regulatory Scope” only on

#	Requirements	Guidance
	<p>requirements of the Sustainability Framework, the organisation may use the following claim: Preferred by Nature Certified – Regulatory Scope.</p>	<p>outputs that meet the Regulatory Scope of the Sustainability Framework and are controlled through the CoC system. The organisation should:</p> <ul style="list-style-type: none"> (a) Define which products or components are eligible (b) Classify inputs as Regulatory Scope, either via valid supplier claims or through its own certified DDS/legal-conformance determination (c) Maintain receiving, processing, stock, and sales records that reconcile volumes and show the exact claim text and certification code. <p>The organisation must ensure appropriate controls according to the CoC model:</p> <ul style="list-style-type: none"> (a) Segregated: This claim may only be used where all inputs are Regulatory Scope. Sustainability Scope inputs may be used, but the output claim remains Regulatory. Any non-conforming input disqualifies the claim. (b) Mass Balance: The organisation must operate a Regulatory Scope credit account with justified conversion factors, ensuring that sales never exceed earned credits. Credits may derive from Regulatory or Sustainability Scope inputs, but never from other material. <p>For multi-component products, the organisation should clearly state which component the claim covers and ensure the core component complies. Origin add-ons (e.g. Origin/Geolocation Preserved) must only be used where corresponding origin controls are in place.</p> <p>The organisation must not use the PBNC Seal with this claim unless separate Seal use requirements are met.</p> <p>Auditors should expect:</p> <ul style="list-style-type: none"> (a) A documented scope and product list; Evidence supporting input classification

#	Requirements	Guidance
		<p>(b) Effective segregation or mass balance procedures and reconciled ledgers</p> <p>(c) Sampled invoices or packing lists showing the precise wording “Preferred by Nature Certified – Regulatory Scope”.</p>
	For products that are certified against additional PBN+ modules, in addition to conforming with relevant Sustainability Framework requirements, the organisation may use the claims as defined by the respective PBN+ module, using the following format: PBN+ [Name of module] Certified (e.g., PBN+ Regenerative Agriculture Certified or PBN+ Closer to Nature Forestry Certified).	Preferred by Nature has developed additional standards that provide supplementary requirements for specific topics, in addition to the sustainability requirements in the Sustainability Framework. These additional standards are referred to as PBN+ modules. For example, there is a PBN+ module for Regenerative Agriculture and one for Closer to Nature Forestry, among others. For material originating from sources evaluated to conform with one or more of these standards, additional PBN+ claims may be used. The claim typically follows the structure: “PBN+ [Name of module] Certified”.
5.3	Origin claims: Geolocation Preserved	
5.3.1	If the organisation has access to and tracks the geolocation of the material, and supplies all geolocation-related information with the product, it may add the following origin claim to its performance claim: Geolocation Preserved.	<p>The intent is to allow the additional origin claim “Geolocation Preserved” only when the organisation has verified access to precise geolocation data for the material, tracks this data consistently through its CoC system, and provides the full geolocation information to buyers alongside the product claim.</p> <p>The organisation should:</p> <ul style="list-style-type: none"> (a) Clearly define which products are eligible (b) Record geolocation data at plot, farm, or forest level, as required by the Sustainability Framework or applicable regulations (c) Maintain traceability so that geolocation remains linked to specific lots or batches (d) Reconcile input and output volumes (e) Demonstrate that geolocation was preserved without substitution (f) Ensure claims are not applied if material is mixed or aggregated in a way that breaks the geolocation link. <p>For multi-component products, the organisation should indicate which component the</p>

#	Requirements	Guidance
		<p>geolocation claim applies to and ensure consistency across all documentation.</p> <p>Auditors should expect to see:</p> <ul style="list-style-type: none"> (a) Documented geolocation procedures (b) Mapped data or files linked to product lots (c) Evidence of transfer of full geolocation information to customers (d) Sampled sales or shipping documents carrying the claim “Geolocation Preserved” alongside the base PBNC performance claim.
5.3.2	<p>If geolocation data is consolidated during handling or processing, the organisation shall define and justify both the methodology and any applicable time limits for consolidation.</p>	<p>In some cases, material from a single geolocation is kept separate throughout the supply chain. However, in most cases, material from different geolocations is mixed during processing, in which case the only option is to consolidate the geolocation information. Depending on the nature of the production, there are two primary approaches to consolidation:</p> <ul style="list-style-type: none"> (a) Discrete mixing: Material from two or more distinct stockpiles is combined into one product. This is typical in sectors such as furniture manufacturing, where various components with different geolocations are used in the same item. In such cases, the geolocation of all contributing materials must be consolidated into a single list of geolocations. (b) Continuous flow production: In operations such as paper and pulp mills, where input and output materials flow continuously, the organisation must analyse its production flow and determine which geolocations are likely to have contributed to each output batch. <p>As a general principle, all organisations that consolidate material from different geolocations should strive to minimise the level of consolidation wherever feasible.</p> <p>EUDR reference: Article 4(2), Annex II(3)</p>

#	Requirements	Guidance
5.3.3	Geolocation data and production dates/times shall be allocated to the correct materials throughout handling and processing.	A sufficiently robust system and procedures must be in place to ensure that output products resulting from handling or processing maintain the correct geolocations and associated production dates or time ranges, or a list thereof.
5.3.4	<p>The following data shall be obtained and recorded for each product for which the Geolocation Preserved claim is used:</p> <ul style="list-style-type: none"> (a) The country or countries of production, or sub-national regions where relevant (b) The geolocation of all plots of land (or establishments, in the case of cattle products) relevant to the commodities that the purchased product contains, was made using, or was fed with (c) The date or time range of production for the relevant commodities. 	<p>These requirements have been designed to align with the EU Deforestation Regulation (EUDR) and are mandatory for companies aiming to supply material that is, or will be, subject to the Regulation's provisions. Meeting the obligations of the EUDR requires companies along the supply chain to communicate information about the origin of production for commodities, tracing back to the plot(s) of land — or establishment(s) in the case of cattle — as well as the date or time range of production. Geolocations of plots of land or establishments must be passed down the supply chain in the form of geolocation information.</p> <p>The minimum requirement for establishments and forest or farm plots of land smaller than 4 hectares is at least one latitude and longitude point with a precision of at least six decimal places. Larger plots of land (over 4 hectares) must be described using polygons with sufficient points to accurately mark the plot's boundary.</p> <p>EUDR references: Article 9(c)(d), Article 2(28)</p>
5.3.5	<p>The following information shall be shared with buyers when using the Geolocation Preserved claim:</p> <ul style="list-style-type: none"> (a) The country or countries of production, or sub-national regions where relevant (b) The geolocation of all plots of land (or establishments, in the case of cattle products) relevant to the commodities that the sold product contains, was made using, or was fed with 	<p>Any organisation may apply requirements related to geolocation. These have been designed to align with the EUDR and may be useful for companies seeking to supply materials that are currently, or will soon be, subject to the Regulation's provisions. Geolocations of plots of land or establishments must be passed down the supply chain in the form of geolocation information.</p> <p>The minimum requirement for establishments and farms smaller than 4 hectares is at least one latitude and longitude point with a precision of at least six decimal places.</p>

#	Requirements	Guidance
	(c) The date or time range of production for the relevant commodities.	Larger plots of land (over 4 hectares) must be described using polygons with sufficient points to accurately mark the plot's boundary. EUDR references: Article 9(c)(d), Article 2(28)
5.4	Origin claims: Source Preserved	
5.4.1	If the organisation has defined the source for input material and tracks the source throughout handling and processing, it may use the claim "Source Preserved" in addition to the relevant performance claim.	"Source Preserved" may be used only when the organisation has defined the origin of the input material and can maintain that origin throughout handling, processing, and sale. Origin refers to a documented geographic unit recorded at intake as a bounded area, such as a farm or estate, cooperative, region, or country.
5.4.2	Each Source shall be defined and recorded with the following information: (a) Source name – the exact text used in claims and communications (b) Geographic location and boundaries – coordinates, polygon, or a clearly defined administrative boundary (c) Any other relevant attributes – such as farm or concession ID, species, supplier ID, or other identifiers.	To claim that a material or product has a specific origin, the origin must be clearly defined. For example, if the organisation wishes to sell coffee produced in a particular region, it may define the region's name as the name of the origin. Alternatively, if a specific community produces coffee within a defined area, this could be included as a specified characteristic of the origin.
5.4.3	Information demonstrating that the material originates from the defined source shall be collected and recorded.	Recording certified information on the source of the raw material is optional in this Standard. However, in some cases, companies may want to claim a specific source of the material. For example, for some food products, companies may wish to make claims about the particular region from which the product originates. Certified and recorded information on the origin of raw material may be at various levels, such as country, jurisdiction, farm or forest unit, etc. If any claims related to the source(s) are made, this requirement is mandatory to follow. The level of detail necessary on the source must correspond to the origin claim being made.
5.4.4	"Source Preserved" is permitted only under the Segregated Model. Material from different sources shall not be	Material from each origin must be physically identified and kept segregated from other

#	Requirements	Guidance
	mixed. If blending occurs, all inputs shall originate from the same source.	<p>materials, from the point of reception through to the point of product shipment.</p> <p>If the organisation has defined multiple origins, material from each must be kept separate from material associated with other defined origins.</p>
5.4.5	From receipt through storage, processing, packing, and shipping, material from each source shall be kept physically or administratively separate and uniquely identified.	<p>The intent is to ensure traceability and prevent mixing, so that material from each defined source remains distinguishable at every stage. The organisation should implement effective segregation — either:</p> <ul style="list-style-type: none"> (a) Physical segregation: using dedicated areas or containers, line-clearance procedures, and clean-downs; or (b) Administrative segregation: using distinct SKUs, system locations, and work instructions — depending on the risk of mixing. <p>The organisation should assign a unique lot or batch ID at the point of receipt, link it to the Source and CoC model, and carry it through processing, packing, and shipping. It must reconcile inputs, work-in-progress (WIP), outputs, and any outsourced steps.</p> <p>Auditors should observe clear labels and signage, and review sample records (inventory, production, and shipping) to confirm that material flows and documentation match, and that any exceptions are properly controlled and segregated.</p>
5.4.6	Every output carrying the claim shall be linked in the records to the defined source inputs (batch IDs, production orders, and dispatch documents).	<p>This indicator ensures traceability, so any product sold with a claim can be reliably tracked back to the specific source inputs that justify it. The organisation should maintain unique identifiers and records that link each finished lot and shipment to the exact input batches (or to the defined input pool/credit account for mass balance), capturing dates, quantities, sources, and production orders to enable full forward and backward tracing.</p> <p>The organisation should reconcile volumes at every step using documented conversion factors and include any subcontracted handling,</p>

#	Requirements	Guidance
		ensuring that totals sold with claims never exceed eligible inputs. Auditors will test this by selecting outputs and verifying the record trail back to inputs and vice versa, checking that IDs are consistent, complete, and timely; any gaps, duplicate IDs, or irreconcilable quantities indicate nonconformance.
5.5	Custom claims	
5.5.1	If the organisation wishes to make custom claims, other than PBN certification claims, this shall be clearly communicated to PBN.	If an organisation intends to use claims beyond those defined by Preferred by Nature (such as “locally sourced” or “low-carbon”), this must be clearly communicated to PBN prior to use. Organisations should inform PBN during the certification application or when their claim scope changes. Auditors should verify that any such claims have been declared and reviewed as part of the certification scope.
5.5.2	For each custom claim, the following shall be specified: <ul style="list-style-type: none"> (a) Eligible input material categories and the acceptance criteria/evidence used to confirm that incoming material fits the category (b) Allowed Chain of Custody (CoC) model(s) (Segregated and/or Mass Balance), and how quantities are controlled (units, conversions, losses) (c) The exact claim text to appear on outputs, including scope (product/batch), time period, and any qualifiers or disclaimers. 	Each “other claim” must be supported by a clear, documented description. This should include the claim’s name, its intended meaning, and the specific product attributes or supply chain features it refers to. The description must be specific enough to prevent misinterpretation. Both organisations and auditors should ensure that any public- or customer-facing language (e.g., on labels or websites) matches the internal definitions.
5.5.3	Evidence shall demonstrate that each claim is true for the claimed outputs: <ul style="list-style-type: none"> (a) Segregated: Physical separation is maintained from receipt to sale (b) Mass Balance: Claimed outputs shall never exceed eligible inputs within the defined balance period and product group; balances are 	The organisation must use appropriate verification methods to confirm that claim criteria are met. These may include supplier declarations, site visits, audits, certificates from other schemes, or laboratory testing. Verification steps must be documented and applied consistently across all relevant products or suppliers.

#	Requirements	Guidance
	transparent and reconciled at a defined frequency.	Auditors should verify that the evidence presented is sufficient to demonstrate that the product meets the claim requirements.
5.5.4	For every sale carrying a custom claim, records shall enable to the claim to be linked to the inputs, the CoC model, and, for mass balance, the balance calculation.	<p>This indicator ensures that custom claims are verifiable: every sale must trace back to specific inputs, the CoC model, and — where relevant — an accurate mass balance calculation. The organisation should retain, for each sale, the exact claim text and ID/version, sale references, quantities and units, the linked input lots or credit pool, and the CoC model clearly stated on documents.</p> <p>For Mass Balance, the organisation should maintain a ledger showing the opening balance, credits added, deductions by sale, conversions/losses, the allocation period, and closing balance; calculations must be reproducible and must never allow a negative balance. Auditors will sample sales to follow the link to inputs, confirm that the documented model matches practice, and recalculate the balance; missing links, unclear model identification, or irreconcilable numbers indicate nonconformance.</p>
5.5.5	Custom claims made on packaging, invoices, websites, or sales materials shall be consistent with the input material categories and definitions.	All uses of the claim — whether on invoices, packaging, marketing materials, or websites — must be consistent with the internal definition and supported by evidence. Claims must not overstate or generalise beyond what can be verified. Auditors should confirm that the language used in external communications matches the documented claim scope and that the claim is not misleading.
5.5.6	Custom claims shall not imply PBNC certification or endorsement, nor conflict with PBNC claim rules or logo use.	This indicator ensures that custom claims remain transparent and do not misuse or misrepresent the PBNC system. The organisation should formulate custom claims so they clearly stand apart from PBNC certification claims, avoiding wording, symbols, or formats that could suggest endorsement, certification, or logo use.

#	Requirements	Guidance
		<p>Internal review and approval procedures should screen all proposed custom claims against PBNC claim rules and Seal use requirements before release. Auditors should verify that claims in sales materials, labels, or websites do not mimic PBNC wording or visuals, and that any use of PBNC logos or claims follows the approved rules without overlap or conflict.</p>
5.5.7	<p>The organisation shall control significant changes to any custom claim as follows:</p> <ul style="list-style-type: none"> (a) Document the change, its rationale, and effective date (including version history) (b) Reset and recalculate balances: set a new opening balance as of the change’s effective date and recompute all affected ledgers and claim calculations using the revised rules. Record any adjustments and the method used (c) Notify Preferred by Nature (PBN) and record acknowledgement prior to any external use of the revised claim. 	<p>This indicator ensures controlled, transparent changes to custom claims so that buyers are not misled and records remain traceable. The organisation should run a formal change-control process that defines what constitutes a “significant” change, assigns a version ID and effective date, retains redlines and approvals, retires outdated materials, and PBN for pre-clearance prior to any public use.</p> <p>Where changes affect inputs or the CoC model, the organisation should re-baseline any balances or credit ledgers at the point of change — close the previous period, set documented opening balances for the new period, and confirm that allocations and conversions are non-negative and reconcilable.</p> <p>Auditors should find a complete change log linking the revised claim to artwork or samples, customer communications, and recalculated ledgers, including evidence of timely PBN notification; missing version control or unreconciled balances indicate nonconformance.</p>

Annex 1. Chain of Custody requirements for land managers

This Annex details chain of custody requirements applicable to land managers, such as farm and forest managers, under the Preferred by Nature Certification programme. Farm and forest managers are responsible for ensuring that all material sold as certified originates from areas covered by a valid Sustainability Framework certificate scope. They shall also ensure that accurate sales claims are included in sales and transport documents in a way that links the claim with the physical material supplied. Land managers have the same options as other organisations for providing information on the material's origin.

#	Requirements	Guidance
A.1	Material sold as certified must originate entirely from areas included within the scope of a valid Sustainability Framework certificate.	The organisation is responsible for selling products with a certified claim only when it has confirmed that the materials fall within the scope of its certificate and that the certificate is currently valid.
A.2	The volume or weight of material sold as certified must not exceed the actual production achieved within the certified area included in the certification scope.	The organisation must maintain records related to production volumes that enable auditors to verify that the quantity of products sold with the claim corresponds to the actual production volumes.
A.3	<p>All sales of claimed products shall be recorded, including:</p> <ul style="list-style-type: none"> (a) Name of the legal entity of the buyer (including postal address and email address) (b) Reference to the sales and transport documentation (c) Date of sale (d) Description of the product and, if applicable, the species name (including the scientific name for wood-related products) (e) Quantities sold (f) Product claim. 	The organisation must maintain complete and accurate records of all its sales transactions.
A.4	All output material sold with a PBNC certification claim shall be clearly identifiable on sales and transport	The allowed sales claim depends on the level of conformance to which the organisation's land management activities have been certified.

#	Requirements	Guidance
	documents and shall include one of the following claims: (a) Preferred by Nature Certified – Sustainability Scope (b) b) Preferred by Nature Certified – Regulatory Scope	
A.5	For all output material sold with a claim, the organisation shall indicate its Preferred by Nature (PBN) certificate code on the sales and transport documents.	Each certified organisation will receive a unique code, communicated on the certification certificate issued to the organisation.
A.6	Mandatory for organisations using the Geolocation Preserved claim: For the sale of material, the organisation shall communicate the following information to buyers: (a) Country or area of harvest (b) Geolocation of all plots of land (or establishments, in the case of cattle products) relevant to the commodities which the sold product contains, was made using, or was fed with (c) Date or time range of production for the relevant commodities.	Optional for all organisations; mandatory for those using the Geolocation Preserved claim: Requirements related to geolocation may be used by any organisation. They are designed to align with the EUDR and may be particularly useful for companies aiming to supply material that is, or will be, subject to the Regulation's requirements. Since land managers can typically provide such information easily, it is highly recommended to include it with the sold material. Geolocations of plots of land or establishments must be passed down the supply chain in the form of geolocation data. The minimum requirements are as follows: <ul style="list-style-type: none">• For establishments and farms smaller than 4 hectares: at least one latitude and longitude coordinate with a precision of six decimal places• For plots larger than 4 hectares: a polygon with sufficient coordinate points to accurately define the plot's boundary. EUDR reference: Article 9(c) and 9(d)
A.7	Mandatory for organisations using the Source Preserved claim: The organisation shall define and record each source for which it intends to make	To make a claim that material or products originate from a specific source, the origin must be clearly defined. For example, if the organisation wishes to sell coffee from a particular region, the region's name may be defined as the source.

#	Requirements	Guidance
	<p>claims, including the following information:</p> <ul style="list-style-type: none"> (a) The name of the origin to be used in claims and communications (b) The geographic location and boundaries of the source (c) If applicable, other specified characteristics relevant to the source. 	<p>If coffee is produced by an Indigenous community, this characteristic may also be specified as part of the source definition.</p> <p>Land managers who want to highlight particular locations or attributes may choose to include source information with the products they sell.</p>
A.8	<p>Mandatory for organisations using the "Source Preserved" claim:</p> <p>The organisation shall communicate the name of the "source" to buyers.</p>	<p>If the CH wants to make a claim about the origin, they must communicate this claim to the buyers.</p>
A.9	<p>If the organisation handles material that is not covered by the scope of their certificate, they shall segregate certified material from non-certified material and shall ensure that no claims related to the Preferred by Nature Certification programme are used in relation to such material.</p>	<p>In some cases, farm or forest managers may also purchase material from other farms or forests. Sometimes, a farm may grow several crops in the same area but have only one or some of these crops covered by the scope. Any material that is not covered by the certificate must not be sold with any claims.</p> <p>If the organisation purchases any material with Sustainability Framework claims from other organisations and intends to sell such material with any claims related to the Sustainability Framework, it must be assessed according to the full set of applicable requirements outlined in this Chain of Custody Standard.</p>

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 30 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 forest, agriculture and climate impact commodities, and related sectors such as tourism and conservation.

www.preferredbynature.org

