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## 1 Purpose

The purpose of this policy is to ensure that Preferred by Nature, as an organisation, operates a responsible business to the best of our knowledge and follows the principles and philosophies that underpin our vision and mission. With this policy Preferred by Nature emphasises that we are a responsible organisation that is capable of practicing what we preach by enforcing sustainability criteria on internally as well as external business practices. The policy shall help us perform better by providing concrete and operational guidance and examples on how to reduce consumption and minimise the environmental and social impact of our operations.

### 2 Aim

Under our Responsible Procurement Policy, Preferred by Nature is committed to:

- Supporting responsible business practices
- Upholding legal land tenure
- · Reducing carbon emissions
- Respecting the rights of all workers.
- Upholding the rights of indigenous and traditional communities.
- Preventing deforestation and destruction of High Conservation Value ecosystems.
- Avoiding pollution (including hazardous chemicals and wastewater)
- Minimising the use of GMOs
- Safeguarding animal health and welfare.

Responsible procurement shall be implemented through:

- Minimising negative environmental and social impacts of the services/products procured, e.g. waste minimisation and sourcing renewable energy, maximum energy efficient products.
- Buying sustainably produced products, e.g. products that maximise post-consumer recycled content, certified products, items made from fair trade and energy-efficient appliances
- Minimising business travel and accommodation
- Enforcing broad environmental and social criteria when choosing the location and type of venues and physical offices, respectively.

## 3 Scope

The policy applies to all individuals while performing work on behalf of Preferred by Nature, including Preferred by Nature employees, contractors and Preferred by Nature Board members. Any derogation from this policy will need to be requested, documented, and approved by the relevant member of the Senior Management Group. Scope

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## 4 Procurement principles

#### 4.1 General principles

Preferred by Nature staff and management are committed to:

- Optimise value for money when purchasing goods or services by using best effort and common sense
- Do proper due diligence prior to any purchase and be able to justify their purchase decisions
- Ensure that stringent environmental and social considerations are an integrated part of purchases and daily operations
- Make each employee feel vested in the cause, so everyone contributes to a better environment
- Accomplish tasks with as little environmental and social impact as possible
- Support the environmentally and socially conscious market segments through a responsible procurement policy
- Follow recommendations and guidance from national and international environmental authorities regarding responsible procurement
- Strive to use products that are certified under a sustainable assurance scheme(s) under ISEAL; and
- Strive to use products that produced locally to minimize environmental impact and promote social values and local economies.

#### 4.2 General principles

To abide with above procurement principles, Preferred by Nature will procure materials and products with social and/or environmental product labels. If feasible, preference should be placed on sustainability schemes that address a broad range of critical sustainability requirements (see under section 2. above) and, if relevant, members of the <u>ISFAL Alliance</u>. Examples of product labels, include, but are not limited to the following:

**Forest Stewardship Council:** Through adoption of its standard, FSC promotes environmentally appropriate, socially beneficial, and economically viable management of the world's forests. Read more <a href="here">here</a>.



**The Rainforest Alliance**: Rainforest Alliance certification addresses whole-farm sustainability and the certification standards apply to forest-based products including but not limited to chocolate, coffee, tea and fruits etc. Read more <a href="here">here</a>.







**Fairtrade:** The FAIRTRADE standards are designed to address the imbalance of power in trading relationships, unstable markets and the injustices of conventional trade, offering producers fair prices and work conditions. Read more <a href="here">here</a>.



**EU organic farming**: The organic labeling system is the mechanism designed to provide consumers with complete confidence that the goods you buy are produced entirely in-line with the <u>EU organic farming Regulation</u>.



Roundtable of Sustainable Palm Oil (RSPO): The RSPO has developed a set of environmental and social criteria which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). When they are properly applied, these criteria can help to minimise the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions. Read more <a href="here">here</a>.



**Marine Stewardship Council (MSC):** Wild, traceable, sustainable: the blue fish label is only applied to wild fish or seafood from fisheries that have been certified to the MSC Fisheries Standard, a science-based set of requirements for sustainable fishing. Read more <a href="here">here</a>.



#### 4.3 Specific energy and electronics principles

#### 4.3.1 Products' energy efficiency

When purchasing new products, Preferred by Nature shall strive to purchase electronic office equipment (e.g. printers, copiers, ventilations systems, heating devices refrigerators etc.) that carry an international or national energy efficiency label that corresponds to a minimum A energy performance level according to <a href="https://doi.org/10.1001/journal.org/">The European Energy Label</a>.

#### 4.3.2 Laptops and other electronics

When purchasing new laptop computers, Preferred by Nature shall strive to purchase laptops that carry a recognised energy efficiency label including but not limited to the <a href="Energy Star Label">Energy Star Label</a> or the <a href="TCO Certified label">TCO Certified label</a>. In the choice of brand, it is recommended to consult with online green purchasing guides such as the <a href="Greenpeace Guide to Greener Electronic">Greener Electronic</a>, where companies are ranked based on the amount of hazardous substances, carbon footprint, voluntary take-back program, recycling data, energy efficiency of models etc., or <a href="Ifixit">Ifixit</a>, where laptop models are ranked according to their repairability.

#### 4.3.3 Lighting

Where possible, Preferred by Nature will use and purchase energy efficient lighting and light bulbs (such as LED-lighting). Preferred by Nature will ensure that all office lighting is turned off at the end of the business day, unless essential for operations.

#### 4.3.4 Energy usage

Preferred by Nature will ensure that all electronic equipment, including computers and monitors, are turned off at the end of the business day, unless essential for operations, e.g. servers. If available, energy saving power boards and/or power timers will be used to switch off power at the end of each day.



#### 4.4 Renewable energy sourcing

Preferred by Nature offices shall, wherever possible, source green and renewable energy as available and investigate options via country specific green energy source guides.

#### 4.5 Wood and fibre products

Preferred by Nature will strive to minimise our overall consumption of wood and paper products and maximise recycling by agreeing that:

- Materials will only be printed when absolute necessary.
- All printed materials shall be double sided if possible.
- All purchased wood and fibre products, including paper, shall be FSC<sup>™</sup> labelled or recycled, when available.







 All printed productions such as brochures, newsletters, reports, etc. will be printed on FSC certified material, when available.

#### 4.6 Business travel

Please refer to the NEPCon Travel Policy for general principles and guidance when procuring tickets related to business travel.

#### Business travel - NEPCon owned or leased vehicles

For country offices with a significant need for driving, and where public transport is not possible or feasible, Preferred by Nature may purchase or lease company cars. Investing in cars shall be justified based on economic and environmental considerations comparing alternatives such as car renting, payment of millage for using private car, use of taxi, etc. Adequate insurance, i.e. first and third-party insurance must be taken out for any purchased or leased company car. All vehicles purchased or leased by Preferred by Nature shall, emit less than 95 grams of CO<sub>2</sub> per KM as the official target of the EU in 2021. This emission level for example corresponds to a fuel consumption of around 4.1 I/100 km of petrol or 3.6 I/100 km of diesel.

Preferred by Nature owned or leased cars may in only rare cases be used for private purposes, given that the private benefit value or cost of this is compensated to Preferred by Nature. Preferred by Nature purposes will always take precedence over private purposes.

#### 4.7 Office rental

The selection of any new office location and space should be based on the following criteria:

- Access Preferred by Nature should strive to rent office spaces in locations that maximise
  the capability of staff to commute via environmentally friendly transportation modes such
  as walking, bicycle or taking public transportation. To avoid excessive commuting, newly
  hired staff who as a rule of thumb are based more than 50 km from the office space are
  not encouraged nor expected to commute on a daily basis.
- Safety Preferred by Nature should strive to rent secure office spaces and locate these in areas with safe access for staff both coming to and from the office.



- Resource efficiency Preferred by Nature should strive to rent office spaces that source energy or have the option to source energy from renewable sources and/or have taken measures to reduce their energy consumption.
- Size of office space Preferred by Nature shall ensure optimal use of its office facilities and encourage desk-sharing where feasible.
- Natural environment Preferred by Nature should strive to rent office spaces that
  maximise natural lighting and air quality as well as provide clean sanitation and simple
  cooking facilities.
- Distance to a well-connected international airport Preferred by Nature should in the long-term aim at establishing its main offices close to an international well-connected airport as this may reduce travel time and costs as well as related carbon emissions.
- Cost the best possible rental fee should be secured considering all factors above.

#### 4.8 Waste & Waste management

#### 4.9.1 Recycling

Where possible, recyclable waste, e.g. glass, paper, plastics, and organic waste, will be sorted and disposed of for recycling. All non-recyclable waste will be disposed of in an appropriate manner.

#### 4.9.2 Disposal of electrical equipment

Preferred by Nature will consider the environmental impact of disposed electronic equipment, such as the content of PVC vinyl plastic and brominated flame retardants (BFRs). All electronic equipment will be disposed of at designated recycling facilities.

#### 4.9 Hazardous materials & Toxic chemicals

The Precautionary Principle will be used when evaluating the comparative toxicity of products and when procurement decisions are made. Hazardous materials and toxic chemical use will be minimised.

#### 4.10.1 Cleaning detergents

Cleaning products containing petroleum-based solvents or acids will be avoided and the use of biodegradable and non-toxic materials will be maximised.

#### 4.10.2 Paints

Preferred by Nature will use paints certified by credible environmental labels including but not limited to The Nordic Swan Label or the EU Flower.

#### 4.10.3 Batteries

Rechargeable batteries will be used in all battery-operated devices. Rechargeable Ni-Cd batteries contain cadmium, a hazardous material, and batteries will be recycled at the end of their useful life.

### 5 Finance

Where feasible, Preferred by Nature should strive to use responsible financial institutions. Responsible financial institutions are among other criteria defined by:

• Commitment to the Equator Principles - a minimum standard for due diligence to support responsible risk decision-making;



- Commitment to use ESG criteria when evaluating investments;
- Commitment to support the UN Sustainable Development Goals; and/or
- Having zero deforestation and responsible sourcing commitments.

## 6 Responsibilities of suppliers

Preferred by Nature expects suppliers to:

- respect fundamental human rights
- commit to the ILO Fundamental Core Conventions which ensure that employees are treated fairly, never abused or threatened them and suppliers never use forced, bonded or child labour
- maintain a safe working environment at all times and provide access to protective equipment and safety training for all employees
- maintain effective policies, processes and procedures to manage their environmental impact and to operate their business in a sustainable way
- comply with all applicable local, national, regional and international laws, regulations and directives at all times
- respect the intellectual property rights of others
- conduct business without the payment or receipt of inducements, unlawful incentives or other benefits that might be considered an attempt to influence decision makers.



# About us

Preferred by Nature (formerly known as NEPCon) is an international non-profit organisation working to support better land management and business practices that benefit people, nature and the climate. We do this through a unique combination of sustainability certification services, projects supporting awareness raising, and capacity building.

For more than 25 years, we have worked to develop practical solutions to drive positive impacts in production landscapes and supply chains in 100+ countries. We focus on land use, primarily through forest, agriculture and climate impact commodities, and related sectors such as tourism and conservation. Learn more at <a href="https://www.preferredbynature.org">www.preferredbynature.org</a>

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