



Preferred by Nature Strategy

February 2024

A strategy for impact

With wildfires burning, glaciers melting and biodiversity disappearing with record speed, there cannot be much doubt that we are in a decade in which our actions will be decisive for the survival of people, nature and climate. It is clearly time to lay out a radical plan to ensure a sustainable future.

With this mission-driven strategy, Preferred by Nature wishes to set the bar high: with tangible impacts based on 30 years of field experience, and a clear focus on the world's most critical forest and agricultural commodities.

We need real, lasting changes now - not tomorrow.



PETER FEILBERG
Executive Director
Preferred by Nature

Our strategy is envisioned for a timeframe of approximately three to five years, however it is also a living document with flexibility for adjustments as the world around us, and our organisation, changes. The strategy has been developed in consultation with our staff, managers and the Board of Directors, and may be periodically updated as needed considering the results of annual implementation reviews.

About us

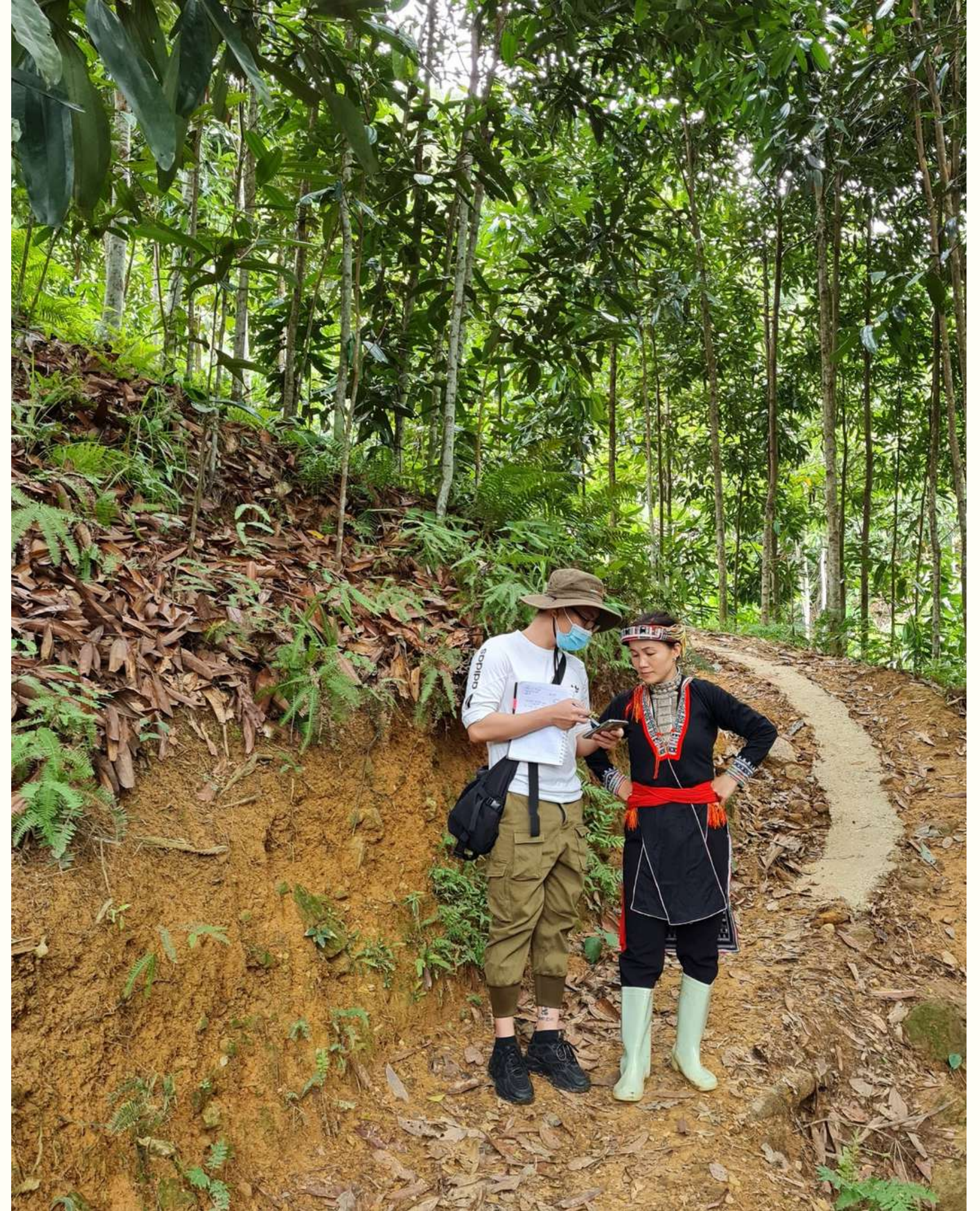
Preferred by Nature is an international non-profit organisation.

For 30 years, we have worked with smallholders, businesses, NGOs and governments on developing solutions to major global challenges such as deforestation, poverty and climate change.

360+ 
full-time staff

50+ 
countries with locally based staff

100+ 
countries where we work



About us



We help forge businesses and people's commitments for meaningful changes through our sustainability services and projects. Together we have assured that*:



~875,0000

farmers, foresters and related workers are assured that their well-being, human rights and cultural heritage are respected.



~33

million hectares of forest and agricultural land meet strict requirements on safeguarding nature and the environment.



5000+

companies and organisations manage their land and supply chains responsibly.

**Figures as of February 2024. Impact statements are applicable only to those parcels of land and specific supply chains where we have evaluated sustainability performance. Latest impacts information is available on our website: www.preferredbynature.org/our-impacts*



Vision

**A world where human choices
ensure a sustainable future**



Mission

**To support better land
management and business
practices that benefit people,
nature and climate**



Preferred by Nature has enabled me to contribute positively to both human and environmental well-being through my work with forest-based communities.

The commitment of these communities in adopting sustainable practices under challenging conditions not only benefits themselves but also enriches my own life with valuable lessons & meaningful values.



HAU NGUYEN VAN (ANTHONY)
Forestry Supply Chain Specialist
Preferred by Nature



How we create impact

Theory of Change

page 8



Where we focus

Sectors and commodities
Geographic presence
Focus themes

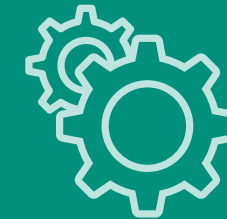
page 10



What we do

Certification
Advisory services
Strategic projects
Training and capacity building

page 14



Strategic objectives

Pillar 1: Scaling sustainable practices
Pillar 2: Positioning and branding for impact
Pillar 3: Strengthening our organisation

page 16



Our strategy



How we create impact

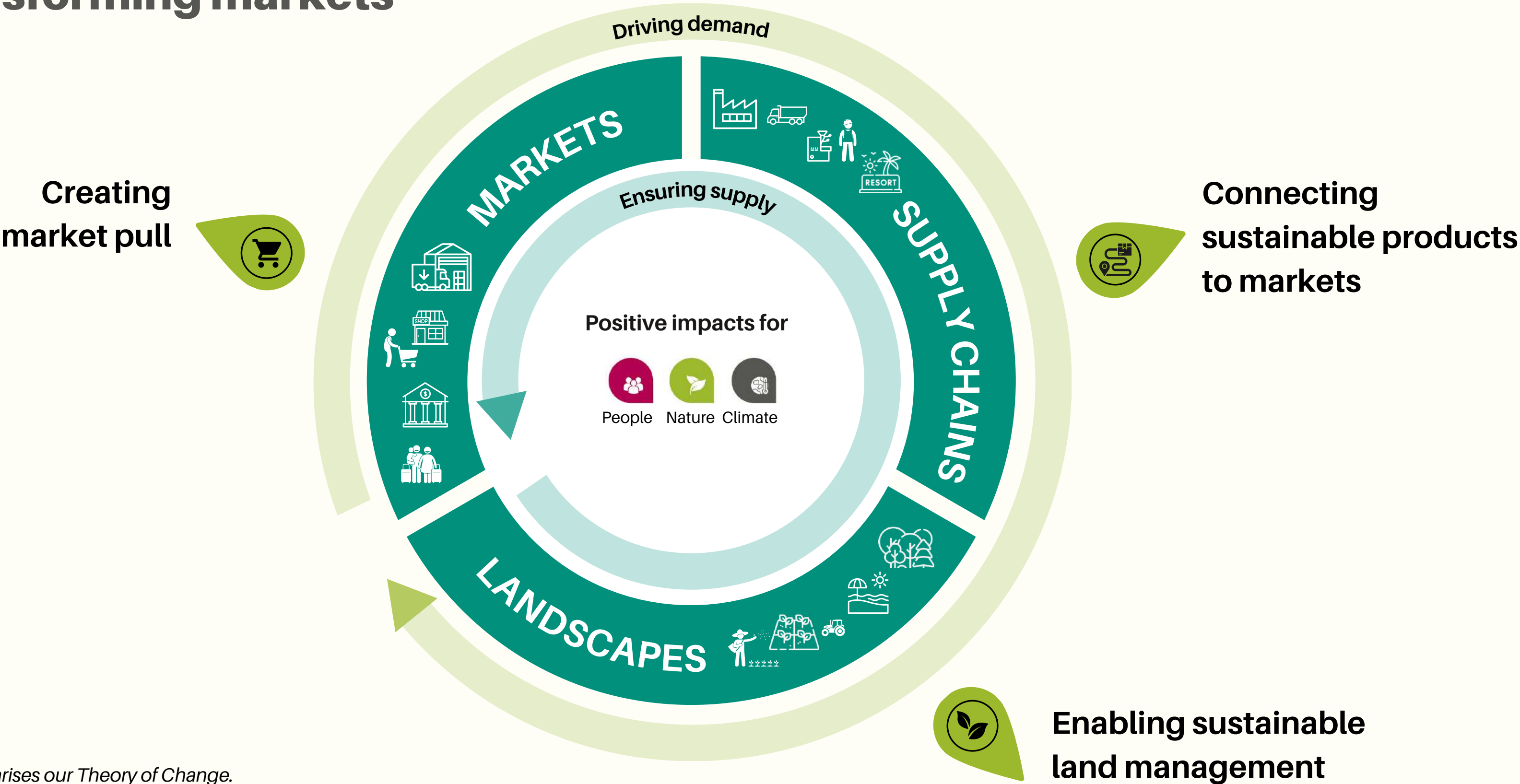
We believe responsible business practices are key to ensuring that nature and the environment are protected, human rights are respected, and climate impacts are reduced.

Our mission is at the centre of our approach to creating lasting impact by driving sustainability through transforming markets. We do this by:

- raising the bar for what qualifies as being “sustainable”
- strengthening the market signals that shape demand for sustainable products, and
- enabling market actors to deliver on that demand.

With nearly 30 years’ of experience, Preferred by Nature’s unique strength is our expertise in enabling and assuring sustainability in each step of the supply chain. From forests and farms to manufacturers and processors, as well as close to market brands and retailers, we ensure that consumers can remain confident in sustainability statements and labels. This allows us to drive demand for sustainable products, while simultaneously ensuring a credible supply chain that can deliver.

Driving sustainability by transforming markets





This figure summarises our Theory of Change.


Sectors and commodities










We work with landscapes, supply chains and markets with the greatest potential for positive change, leading to a healthier environment and climate, and sustainable livelihoods.

We focus our work on the **forestry and agriculture sectors** because they represent the primary ways in which land is used for renewable resource production, as well as the **travel sector** because it is closely linked to livelihood development.

Forestry

Agriculture

Travel

Wood 	Coffee 	Cocoa 
Rubber 	Rice 	Biomaterials 
Palm oil 	Cattle 	Soy 

Climate change, deforestation, loss of biodiversity and social inequality are deeply rooted in the global trade of unsustainably produced commodities.

In the **forestry and agriculture sectors**, we work with a broad range of commodities and products, always asking ourselves where we can make a difference and support sustainable practices.

We have also selected nine essential focus commodities with markedly high impacts on people, nature, and climate. For these commodities, we will develop and implement a further detailed strategic action plan to scale the positive impact of our work.

In the **travel sector**, we prioritise travel tied to development, including job creation, wealth generation, economic growth, environmental preservation, and poverty alleviation. We aim to ensure responsibly managed and planned tourism areas and destinations.



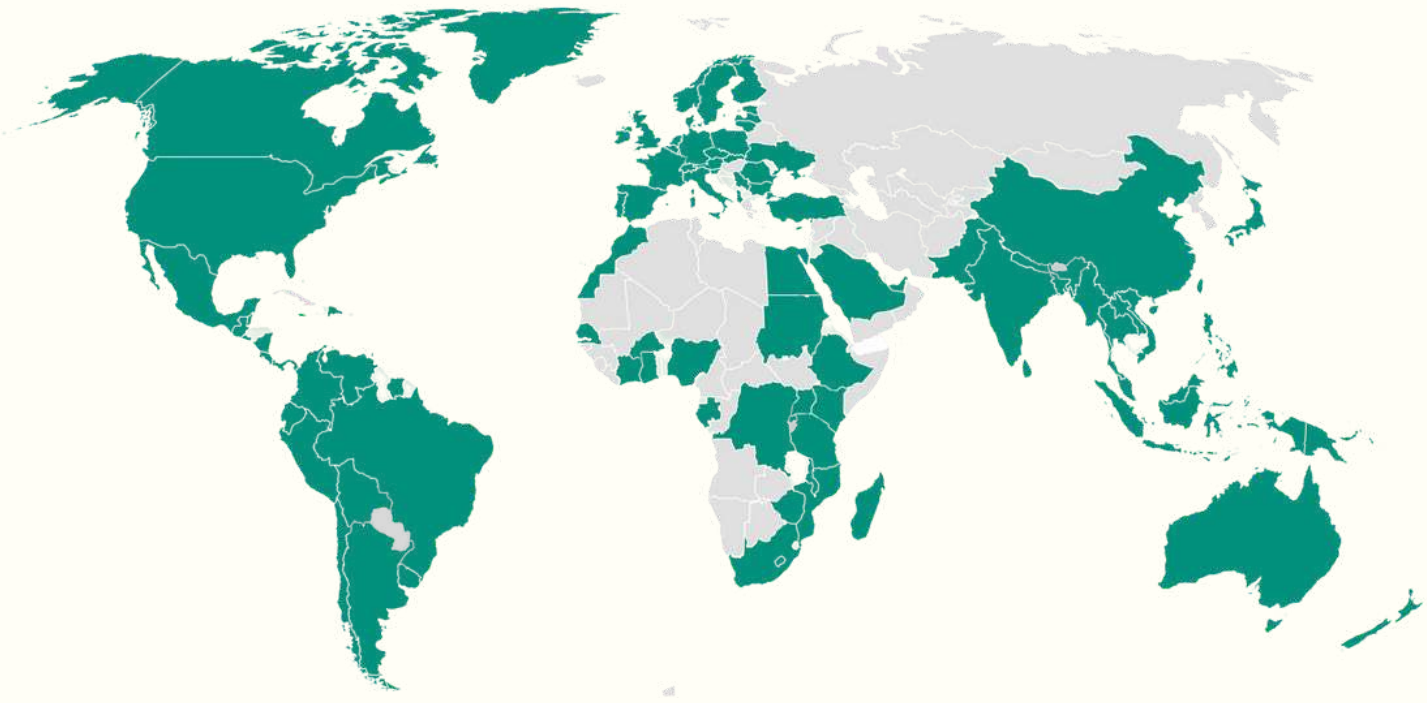
Geographic presence

Preferred by Nature has activities in more than 100 countries across 6 continents.

Our broad geographic presence allows us to work with global supply chains from start to end.

Aligned with our approach to creating impact, we are active in the landscapes where commodities are cultivated, through processing and trade supply chains, and in consumer markets. This truly allows us to drive sustainability by transforming markets globally, through local presence.

To focus efforts where the greatest positive effects can be made, we implement regional strategies according to the particular strengths and challenges of each region.





Focus themes to strengthen our impacts and activities

While certain topics related to sustainability have made great strides in recent years, such as illegal logging, there are others that deserve increased focus and attention.

At Preferred by Nature, we are committed to working with a broad range of sustainability topics and will continue to do so. In consultation with staff, management, and Board of Directors, we have also identified five focus themes where we will purposefully strengthen and expand our impacts.

We are already working with these topics, however a dedicated action plan will be developed for each theme, helping us to further move from intentions to actions to benefit people, nature, and climate.



People

The flow of money to people has traditionally received less attention in sustainability efforts, although real long-term commitment to sustainability only becomes possible when the most basic needs of people are met. We have witnessed the same pattern in our own activities and are committed to bringing people and their well-being into the centre of our focus. The two focus themes are complementary and work together as our guide to further focus our work for the benefit of the people in coming years.

Fair distribution of revenues to farmers and smallholders

We will seek and find ways to increase the fair distribution of revenues back to farmers, especially for commodities where poverty is prevalent among smallholders. This will address a critical precondition and help to secure the resources to make holistic sustainable land management possible.

Quality of life for workers, communities, and smallholders

We will define and implement ways to increase the impact of our work on creating safe and rewarding workplaces while enhancing living income for workers, communities, and smallholders. This will empower people and equip them with means and energy to join the collective effort towards long term sustainability.



Nature

We will help to **restore** biodiversity and ecosystem services in production landscapes and **conserve** existing natural ecosystems. As an organisation, we both embrace the opportunity to return to close-to-nature management of natural resources and recognise the urgent need to stop the destruction of the existing natural values. This is why we have chosen the two complementary themes on **biodiversity** and **restoration** to be our guiding compass to benefit nature.

Enhancing biodiversity impacts

We will map and expand the positive impacts of our work on biodiversity conservation and enhancement. By adding the biodiversity filter to our decision making, we will ensure that our activities and services are delivered with a specific aim to bring about positive impacts on addressing the global biodiversity crisis.

Restoring healthy ecosystems

We will further develop services and solutions that focus on restoration of healthy and resilient ecosystems in both natural and production landscapes. With focus on restoration, we will align with the global movement to respect planetary boundaries and focus on regenerative practices, including the principles of regenerative agriculture and regenerative soil management.



Climate

There is a globally recognised urgent need to address the climate crisis. A failure to act on this will lead to loss of biodiversity and collapse of ecosystem functions. With climate change already being a reality, we also need to adapt and anticipate future risks. At Preferred by Nature, we see the need to bring climate related issues to an even more central place in our activities and services, with focus on emission **reductions**, greenhouse gas **sequestration** and climate **adaptation**.

Enhancing positive climate impacts

We will ensure that climate aspects are considered and elevated in our activities and services to strengthen our role in helping to address the global climate crisis, including climate change mitigation and adaptation.

Pathways to impact: Our activities and services

We operate through four primary activity areas. Each of them provides unique and complementary opportunities to work with land managers, markets, and supply chain actors to connect sustainable production and consumption, as shown on the figure.



Certification services



Sustainability advisory services



Strategic projects



Training and capacity building



Certification services

Our ambition is to be the partner of choice globally for any organisation that seeks independent and credible feedback on their sustainability performance.

We provide sustainability certification services for land managers and supply chain organisations focusing on schemes that follow best practices in standard setting and the evaluation process.

The outcome of our audits helps organisations to know where improvement is needed as well as gain market recognition for their sustainability efforts.



Sustainability advisory services

We wish to be a globally recognised centre of expertise for partnering with brands and businesses in their sustainability journey. We engage with organisations and private sector companies, both large and small, to help them set and achieve goals for legal and sustainable sourcing of forest and agriculture commodities.

We aspire to help an increasing share of companies set and implement ambitious and impactful goals for sustainable sourcing and land use.



Strategic projects

We want to be catalysts for change to empower and equip smallholders, local communities, and their representative organisations to promote sustainable local development that balances livelihoods, inclusion and productivity with biodiversity, climate resilience and ecosystem protection. We link small producers and communities with supply chains and markets, and support local leadership in sustainability.

We aspire to see an increased share of land under sustainable management practices, with smallholders and communities reaping the benefits of their sustainability commitments through improved livelihoods and local environments.



Training and capacity building

Our vision is to be the go-to knowledge hub for organisations who seek practical tools and information for sustainable sourcing and land management. We collate and share information related to sustainability risks and mitigation.

Via Preferred by Nature Academy, led by our experts and through a community of practice, we offer training courses, to facilitate learning within our areas of expertise and focus sectors. Through training and facilitation of learning, we build stakeholder as well as our own people's capacity to enable and support all the other activities we implement.



A close-up photograph of several young green seedlings growing in black plastic mulch. The seedlings are spaced out in rows, and the soil is a reddish-brown color. The lighting is bright, casting shadows on the plastic mulch.

Strategic objectives

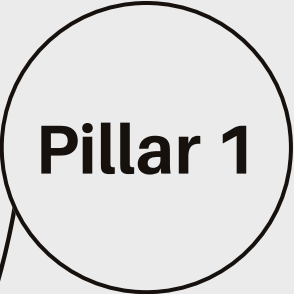
Our model for driving impact defines how we will create change through transforming markets. Our strategic objectives describe the specific approaches we will implement to bring about that transformation.

This section does not aim to articulate every ongoing activity, rather it highlights the objectives that we will commence or strengthen in pursuit of our mission.



OUR MISSION

To support better land management and business practices that benefit people, nature and climate.



Scaling sustainable practices

How we will enable, improve and scale-up responsible business and land management practices.

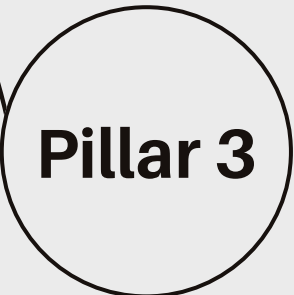
This pillar describes the approaches we will undertake to further improve and enable the activities we engage in, focusing our efforts to create the greatest potential for positive impacts on people, nature and climate, and sustainable livelihoods.



Positioning and branding for impact

How we will strategically position the organisation and our brand to multiply our impacts.

This pillar describes how we use strategic branding, networking, and other approaches to position us best to help more stakeholders engage in responsible business and land management practices.



Strengthening our organisation

How we will develop our organisation in all areas to achieve our mission.



















This pillar aims to enable the objectives in Pillars 1 and 2 by continually and strategically developing our global team, processes, and finances to create stakeholder confidence in our ability to achieve our mission and ensure long-term stability.

Pillar 1

Scaling sustainable practices

Use the green icons to see how each objective links to our approach to creating impact (page 9)

-  Enabling sustainable land management
-  Connecting sustainable products to markets
-  Creating market pull

<div>1.1</div> <div></div> <div></div> <div>Innovation in sustainability assurance</div> <div><p>To help increase the impact of sustainability certification systems, we will continue to help certification become more efficient, accessible, credible and practically applicable.</p><p>We will use our unique role as a leading, global, nonprofit and mission-focused certification organisation, bringing our experience from the field.</p></div>	<div>1.2</div> <div></div> <div></div> <div>Expertise for schemes</div> <div><p>To help raise the bar on how certification is implemented, we will engage with and provide expertise for established and emerging social and environmental sustainability schemes in alignment with our own values and ISEAL Credibility Principles.</p><p>We will be a preferred provider of expertise on standard setting, system development, oversight, assurance and benchmarking.</p></div>	<div>1.3</div> <div></div> <div></div> <div>Responsible sourcing services</div> <div><p>To address the current gap for credible responsible sourcing, we will lead in assisting companies with upstream approaches—beginning at market level and working up to land use.</p><p>We will develop and deliver risk-based services, tools and information, including an assurance mechanism recognising due diligence.</p></div>	<div>1.4</div> <div></div> <div></div> <div>Solutions for smallholders and communities</div> <div><p>To better the livelihoods and stability of smallholders and communities, we will increase access to and benefits from sustainability solutions.</p><p>We will develop, adapt, and build capacity for tools and approaches that are more accessible and feasible for smallholders and communities.</p></div>
<div>1.5</div> <div></div> <div></div> <div>Enhanced supply chain traceability and transparency</div> <div><p>To improve the credibility of sustainability claims and consumer-facing labels, we will improve the rigour and transparency of supply chain traceability.</p><p>We will modernise traceability away from traditional labour-intensive models to real-time technological ones.</p></div>	<div>1.6</div> <div></div> <div></div> <div>Greater engagement on public policy</div> <div><p>To complement voluntary market approaches, we will support the development of practical and impactful policies and regulations concerning responsible sourcing and sustainable land management.</p><p>We will support credible and effective implementation, through the development of solutions, tools and guidance, capacity building and stakeholder engagement.</p></div>	<div>1.7</div> <div></div> <div></div> <div>New technology solutions</div> <div><p>To scale-up and increase credibility of responsible sourcing and sustainable land management practices, we will continually seek ways to reduce the burden and potential for human error.</p><p>We will develop and integrate smart, cutting-edge technology solutions, wherever it can help to save human efforts for where it is most needed to reduce sustainability risks.</p></div>	<div>1.8</div> <div></div> <div></div> <div>Leverage brands to create market demand</div> <div><p>To increase market demand for products from responsible sources, we will leverage large consumer-facing brands interested in responsible practices.</p><p>We will develop deep relationships with brand-owners and other organisations with high potential for creating market pull for sustainable supply chains.</p></div>

Preferred by Nature Certification

A key action to address many of the strategic objectives under Pillar 1 is the Preferred by Nature Certification.

The programme is directly inspired by several of the strategic objectives and has been purposefully built to be innovative and impactful, with the following features:

- Focused on performance and outcomes, to be accessible for smallholders
- Using risk-based approach, to focus on where the efforts matter most
- Can be used to support responsible sourcing through verification of due diligence
- Can be used as standalone or complementary to existing certification schemes.
- Aligns with key regulations such as the EU Deforestation Regulation.

At the core of the programme is the Sustainability Framework – a comprehensive framework addressing a broad range of sustainability topics, with special focus on climate mitigation and adaptation.

The framework can be used for different commodities. It is the basis for many of our activities, including risk assessments and benchmarking of certification schemes. It can also be used as a guiding framework for sustainability advisory services.

Principle 1:
MANAGEMENT
and BUSINESS
practices are
responsible.



Principle 2:
PEOPLES
wellbeing and
human rights are
respected.



Principle 3:
NATURE and
the environment
are protected.



Principle 4:
CLIMATE
impacts are
reduced and
mitigated.

At the core of this programme is the Sustainability Framework consisting of four principles.

Pillar 2

Positioning and branding for impact

Use the green icons to see how each objective links to our approach to creating impact (page 9)

- Enabling sustainable land management
- Connecting sustainable products to markets
- Creating market pull

<div>2.1</div> <div></div> <div>Consumer facing brand</div> <div><p>To enable consumers to make responsible purchase choices, we will strategically increase awareness and recognition of our brand among consumers.</p><p>We will build public trust in the Preferred by Nature Seal based on accountability, transparency, and tangible results.</p></div>	<div>2.2</div> <div></div> <div>Positioning as sustainability experts</div> <div><p>To support an increasing number of organisations working with sustainability, we will place ourselves as experts on the sustainability topics, commodities, and approaches we work with.</p><p>We will publish expert content, and participate in key stakeholder events, drawing from our unique experience as a global NGO engaged across the entire supply chain from landscapes to markets.</p></div>	<div>2.3</div> <div></div> <div>Open source approach</div> <div><p>To increase the reach of our positive impacts, we will apply an open-source approach, sharing valuable knowledge and resources we've developed. This includes actively engaging in projects and other activities to create and share essential tools, data, and information needed by organisations to effectively implement responsible sourcing and land management.</p></div>	<div>2.4</div> <div></div> <div>Symbol for credibility and leadership in sustainability</div> <div><p>To become more broadly known as a partner of choice in supporting organisations in their sustainability goals, we will promote the Preferred by Nature brand as a symbol of credibility and leadership in sustainable business practices and land management.</p><p>We will facilitate uptake of our brand for use by partners and staff.</p></div>
<div>2.5</div> <div></div> <div>Support credible sustainability claims</div> <div><p>To enable increased visibility of credible sustainability claims in marketplace, we will support businesses in their consumer-focused marketing.</p><p>We will provide approved messages and other support that allows for customisation while maintaining credibility of sustainability claims.</p></div>	<div>2.6</div> <div></div> <div>Partnerships to drive more impact</div> <div><p>To increase the reach of our positive impacts, we will seek out purposeful partnerships with leading and aligned organisations.</p><p>We will join relevant networks, initiatives, and develop project partnerships that allows us to act on, and learn from, shared sustainability goals.</p></div>	<div>2.7</div> <div></div> <div>Measuring and communicating our impacts</div> <div><p>To know that our work matters and ensure our activities help bring real positive change, we will evaluate our sustainability impacts, and accurately and transparently communicate this to our stakeholders.</p><p>We will implement a data-driven impact monitoring and evaluation framework.</p></div>	

Global knowledge centre for sustainable sourcing

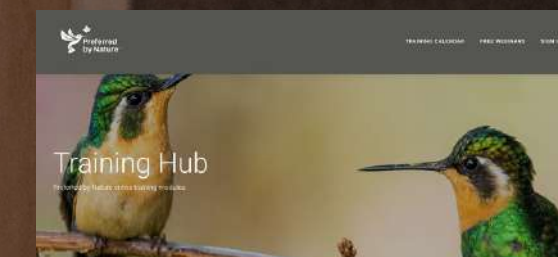
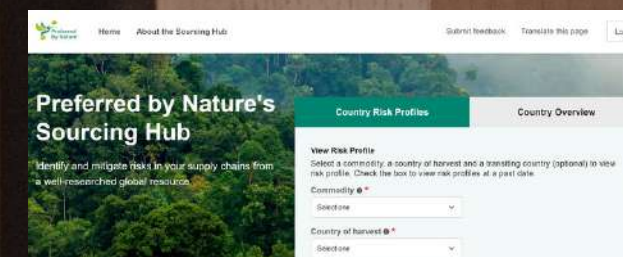
At Preferred by Nature, we have a vision – a vision of an online knowledge centre of practical information and tools to help organisations globally to source responsibly and support sustainable production.

We are already well on track in turning this vision into reality. In 2017, we launched the **Sourcing Hub** – a comprehensive database with detailed information on sourcing risks and risk mitigation for all major timber producing countries globally as well as information on major forest impacting commodities such as cattle, soy and palm oil.

Through Preferred by Nature **Training Hub**, we have been providing thousands of stakeholders access to high quality training on sustainable forestry, agriculture and conservation. Recently we have published the first **benchmarks** of major certification schemes and plan to expand this work.

Going forward, we will bring these platforms and information together and grow the knowledge base to offer a practical and comprehensive platform, built to help organisations take the next steps in their sustainability journey.

The knowledge centre will be a key response to several objectives under Pillar 2, built in alignment with the open source approach, and positioning ourselves as experts to support organisations in their sustainability journey.





Preferred by Nature Seal

Organisations verified under the Preferred by Nature Verification programme can use the Preferred by Nature seal to communicate about their sustainability performance and commitment to care for people, nature, and the climate.

By launching the Preferred by Nature seal, we are creating an opportunity for companies to be recognised for their efforts and providing consumers another choice for socially and environmentally responsible purchasing.

The bar for the use of the Seal in relation to final products is set especially high, requiring organisations to measure and reduce the carbon footprint of the product as well as commit to supplementary investments into projects that directly benefit people, nature, and climate.

Pillar 3

Strengthening our organisation



These pillar objectives describe how we will enable our approach to creating impact (page 9) by developing and strengthening our organisation.

Each objective enables and supports our overall approach to impact rather than a specific aspect.

- Enabling sustainable land management
- Connecting sustainable products to markets
- Creating market pull

3.1



Inspirational learning and career development

To equip our organisation with the skills, adaptability and knowledge needed to navigate evolving global challenges, we will create a culture of ongoing learning and growth.

We will offer inspiring career paths with clarified competencies and prioritise diverse learning opportunities.

3.2



Fair and consistent appreciation of staff

To ensure we can attract and retain necessary staff to grow our organisation, we will appreciate staff in our interactions and leadership, and invest in competitive remuneration.

We will offer fair compensation and relevant benefits that make a difference for our employees’ well-being and engagement.

3.3



High quality leadership

To enable optimal management of tasks, inspire excellence, and foster inclusivity and innovation, we will prioritise great leadership.

We will invest in our manager's development, prioritise time for use in guiding management practices based on our leadership framework, and hold them accountable for how they lead their team.

3.4



Capacity for relevant sectors, issues, and regions

To ensure sufficient staff capacity to implement our strategy, we will build a diverse team with expertise in relevant sustainability issues, products, commodities, and global regions.

We will maintain a skill taxonomy to enable us to recruit needed competencies and enhance in-house expertise, while managing risks tied to external resources and seasonal workload variations.

3.5



Data driven management

To create further efficiency, scalability, and maintain results-focused orientation, we will value effective data gathering and reporting.

We will enhance data management systems and increase data literacy by implementing data-driven decision-making tools and processes.

3.6



Financial resilience

To ensure our ability to deliver on our work plans and long-term strategic goals, we will implement a financial model that gives us sufficient and diversified funding.

We will optimise the way we use, monitor and value our staff time - our most valuable resource and key tool for achieving our mission.

3.7



Continuous process and quality improvements

To fulfil our mission effectively and efficiently as we expand, we will implement harmonised processes, structures, and quality management systems.

We will ensure internal coherence of processes that promote staff collaboration, while maintaining conformance with external requirements.

3.8



Walking the talk of sustainability

To reduce negative impacts of our operations, we will practice our own values regarding responsible business practices.

We will measure, reduce, and offset our annual carbon footprint, source more responsibly, and improve in a range of other areas.



I am proud of our people promise.

It is a commitment deeply rooted in our belief that we must create a work environment where individuals can thrive, learn, and grow.

It is a pledge to enable everyone to make meaningful contributions toward the collective mission of shaping a world where human choices pave the way to a sustainable future.



MADS BAB

Chief People Officer
Head of People & Talent
Preferred by Nature

Preferred by Nature Way

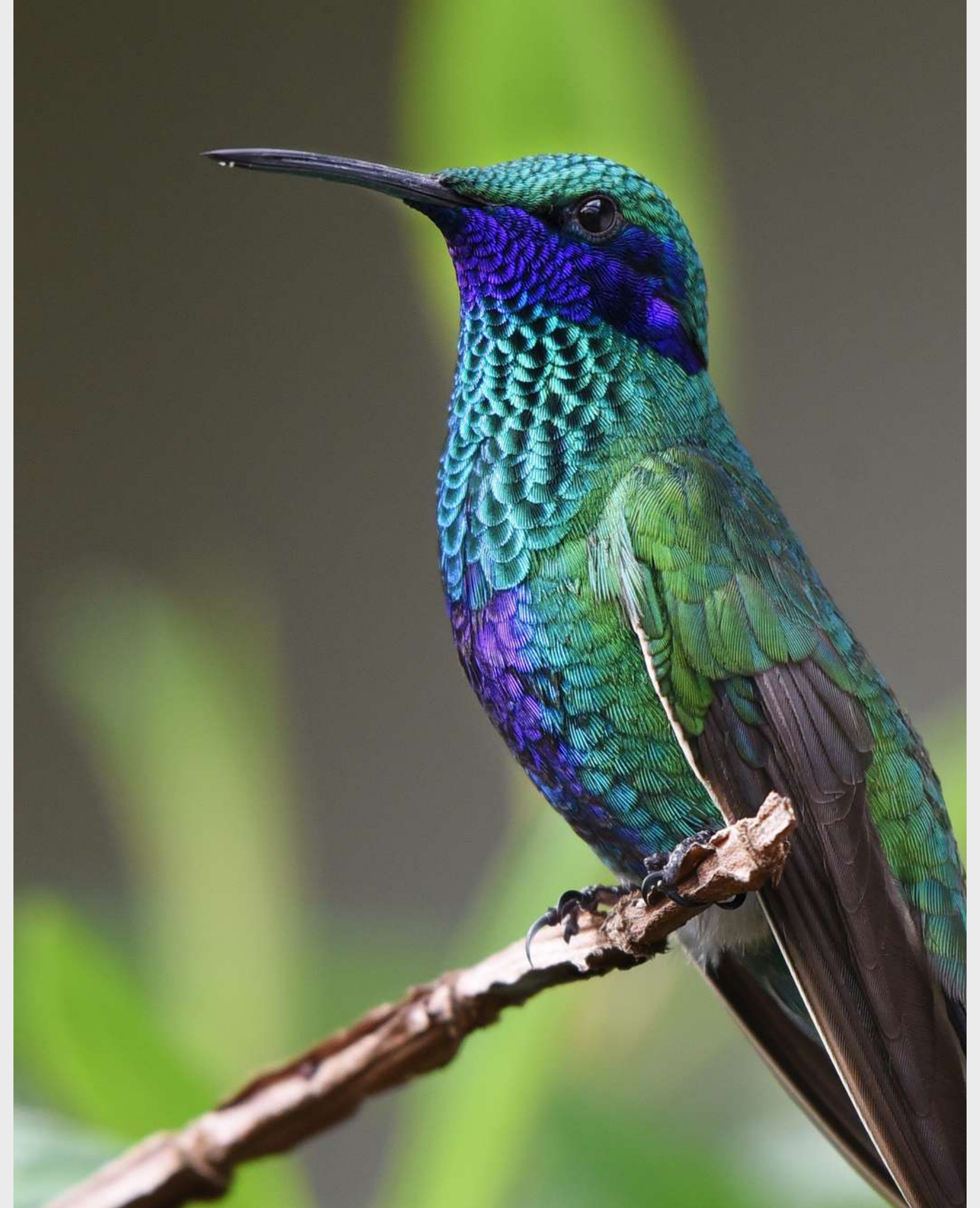
The operating principles listed below reflect our values and approach to our work. They guide us in our daily work and serve as a beacon in decision making, forming the foundation of how we operate. Collectively, they are what we like to call the Preferred by Nature Way.

Impact in everything we do

- We choose our activities based on transparency, credibility and potential for positive change.
- We seek to add value by addressing the needs and gaps in global sustainability efforts.
- We conduct our own operations according to the sustainability principles we promote.
- We openly share our expertise, knowledge and tools to mainstream sustainability.
- We seek to minimise systems costs while maximising the positive impacts and credibility.

Empowering people

- We observe ethical business practices and always behave with integrity, expecting the same from our clients and partners.
- We aim to ensure equality at all levels of the organisation and always treat each other with respect.
- We engage passionate staff and support learning culture and development.
- We reward engagement, execution and excellence.
- We trust our staff and leaders to do the right thing for our mission and organisation.
- We are open, transparent, respectful and will always give honest feedback to each other.



Preferred by Nature and the SDGs

Our collaboration with schemes, businesses and other stakeholders contributes to many of the UN Sustainable Development Goals (SDGs). The SDGs build the framework for the global transformation by 2030. SDG implementation defines sustainable business practices.

We want to be a driving force in reaching the SDGs because we see the promotion of sustainable practices in landscapes and supply chains as a way towards a better future. The SDGs guide us in this strategy as we strive for solutions that have a positive impact on people, nature and climate.

Here are just a few examples. Our work to promote the sustainable management and efficient use of natural resources directly links with SDG 12 Responsible Consumption and Production. We do this through training people and organisations on better practices and responsible sourcing and through our global assurance services. On SDG 8 Decent Work and Economic Growth, we work with broad range of sustainability standards, many of which regulate working conditions and labour rights, including provisions to eliminate modern slavery and child labour. We support SDG 15 Life on Land through our donor-funded projects, assurance services and by integrating technology where it can push the adoption of

responsible land use practices more quickly. Offering better access to sustainability solutions and markets for smallholders and communities contributes to several SDGs, including SDGs 1, 16, 15 and 5. We support SDG 13 Climate Action to build climate resilience by engaging governments to use robust sustainability standards in their policies.

We have done a mapping of our strategic objectives to the SDG targets and assigned a Preferred by Nature impact score for each SDG, indicating our relative contribution to the SDG through our strategy and work.

Our contribution to the SDG targets, considering Preferred by Nature strategy and work (according to Preferred by Nature impact score from 0 to 30)





Monitoring, evaluation and learning

We help forge businesses and people's commitments for meaningful change – this is the core outcome of each activity we undertake. Therefore, our impact is measured by the achievements of our clients and partners that we work with through our sustainability services and projects.

We are committed to monitoring and evaluating the impacts and outcomes of our work and consistently communicating the results to stakeholders. Our key impact indicators, and the full methodology behind how we monitor them, can be found on our website at www.preferredbynature.org/our-impacts

We also cultivate an organisational culture and approach to monitoring and evaluation that emphasises learning and continual improvement. In that light, we treat this strategy as a living document to be reviewed annually and updated as needed based on our evaluation processes.



www.preferredbynature.org



Founded in 1994, Preferred by Nature is a non-profit organisation working to support better land management and business practices that benefit people, nature and climate in over 100 countries around the world.