



Preferred by Nature Due Diligence Toolkit

21st January 2025



Agenda



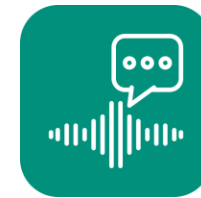
Topic	Timing
Welcome and practicalities	5 min
Introduction to the toolkit	50 min
Toolkit's structure and main tools	
Future updates and improvements	
Q&A session	15 min



House keeping



Presentations
will be shared



Recordings will
be shared
(excluding
Q&A session)



**Ask your
questions** within
the Q&A function
of Teams



Any issues,
contact Monika:
mk@pbn.org

Our team today



Christian Sloth

Sustainability Programme
Director



David Hadley

Regulatory Impact
Programme Director



Timothy Bender

Regulatory Impact
Coordinator



Michael Jakobsen

Regional Director
Timber Commodity Lead

Mission and vision



Mission

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

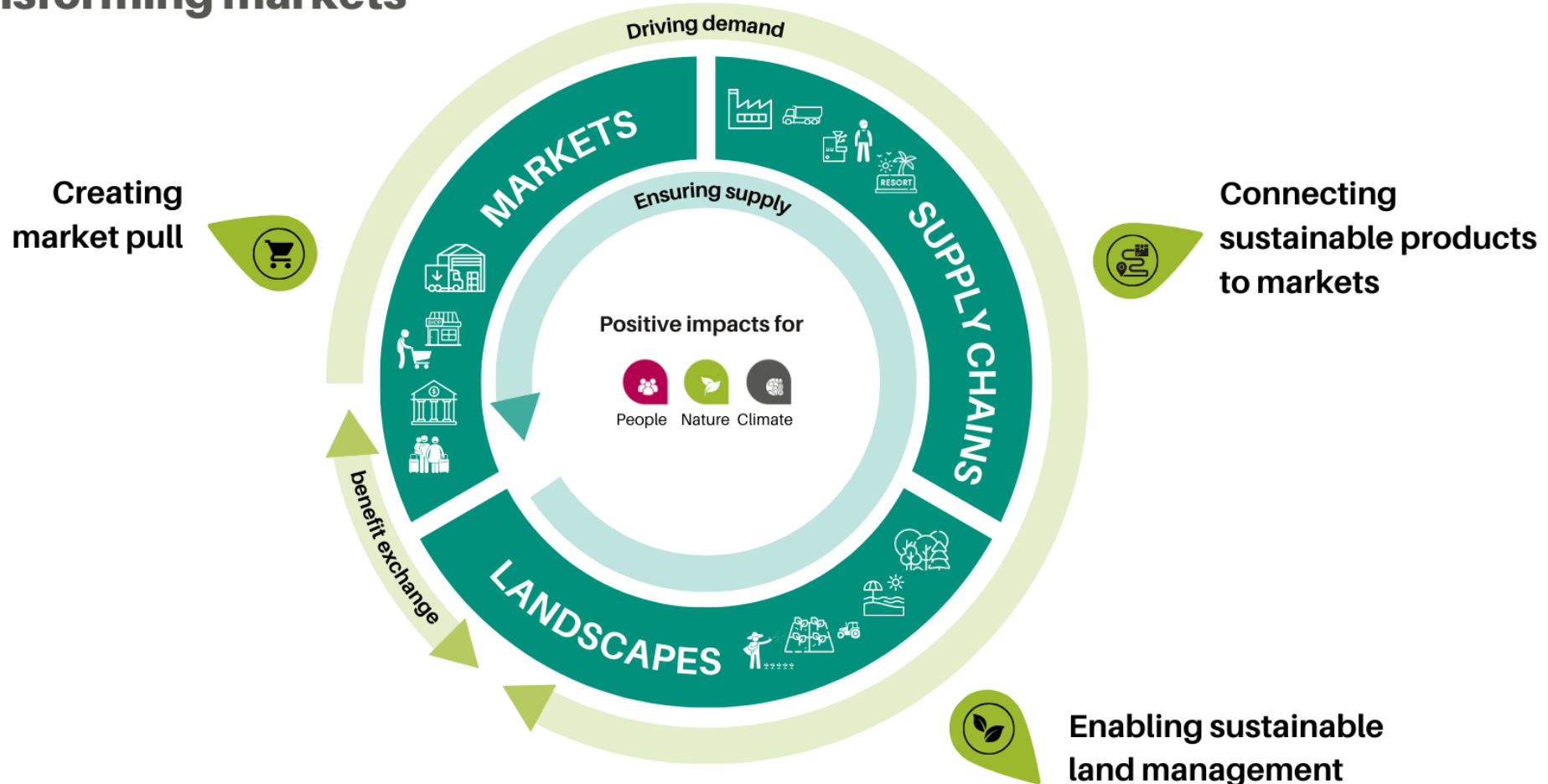


Vision

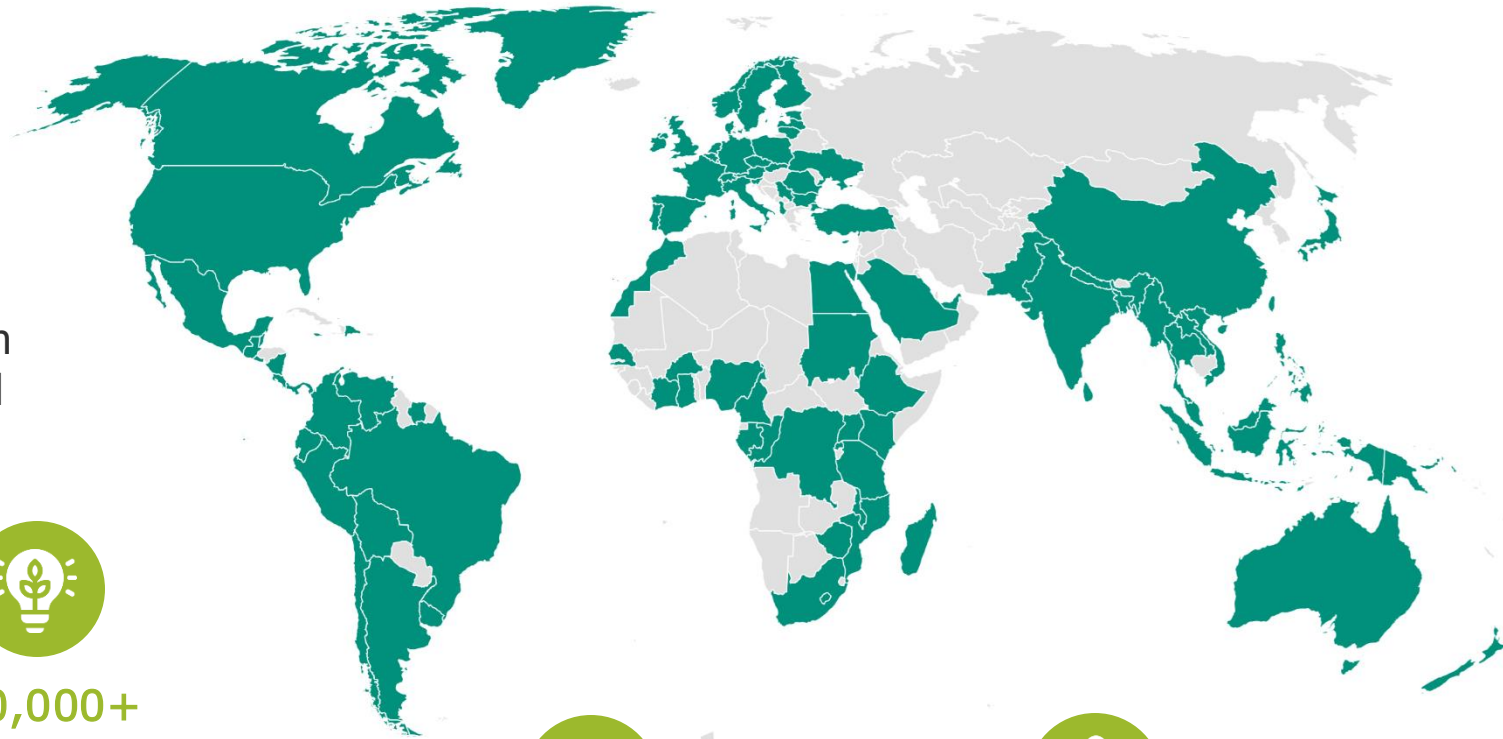
A world where human choices ensure a sustainable future

Preferred by Nature Theory of Change

Driving **sustainability**
by transforming markets



International mission-driven non-profit organisation



≈ **33 million ha**
of certified farm
and forest land



800,000+
certified farmers
and foresters



100+ countries
we work in



5,200 organisations
we work with



30 years
of experience



350+
full-time staff


What we do | sectors and commodities in focus



Forestry



Agriculture



Travel

Timber



Coffee



Cocoa



Palm oil



Soy



Rubber



Biomaterials



Cattle



Rice



*Commodities within the EU
Deforestation Regulation scope*

What we do



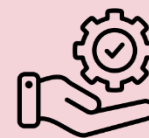
Certification



Sustainability
advisory
services



Strategic
projects



Training and
capacity
building



Join us on upcoming EUDR webinar



Webinar

EU Deforestation Regulation: Exploring the latest interpretations and updates

30 | 13.00 - 14.15
JAN | (CET)



Register here:





Preferred by Nature
Due Diligence Toolkit

What is the Preferred by Nature Due Diligence Toolkit?

It's a set of tools to...



Help
organisations
implement due
diligence systems



...for forestry and
agricultural
commodities,
both within and
outside the EU



align with the PBN
Sustainability
Framework & due
diligence
mandates of the
EUDR

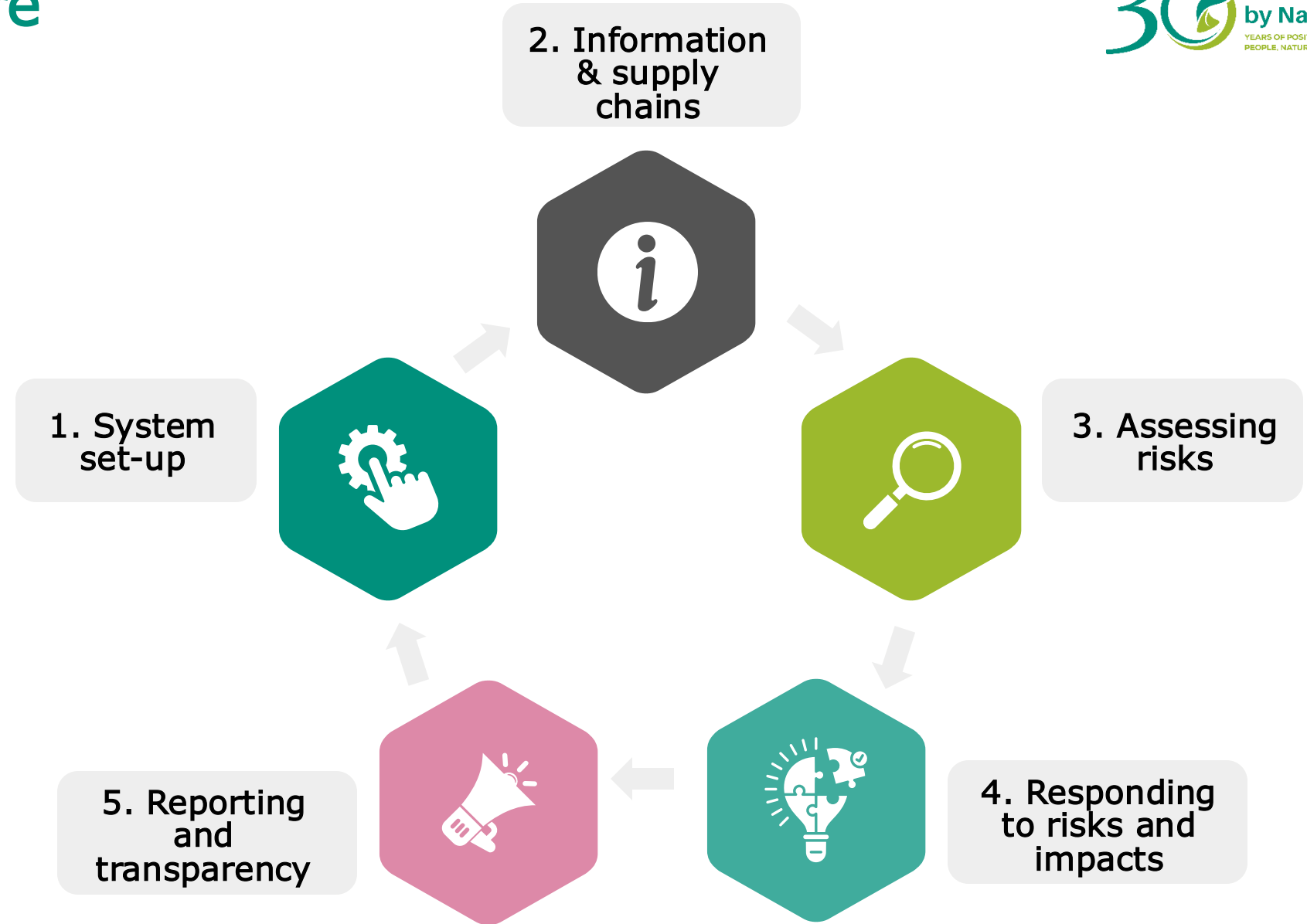
Toolkit structure

Structure

24 Tools in total

Consists of:

- Guides (9)
- Templates (13)
- Procedures (2)

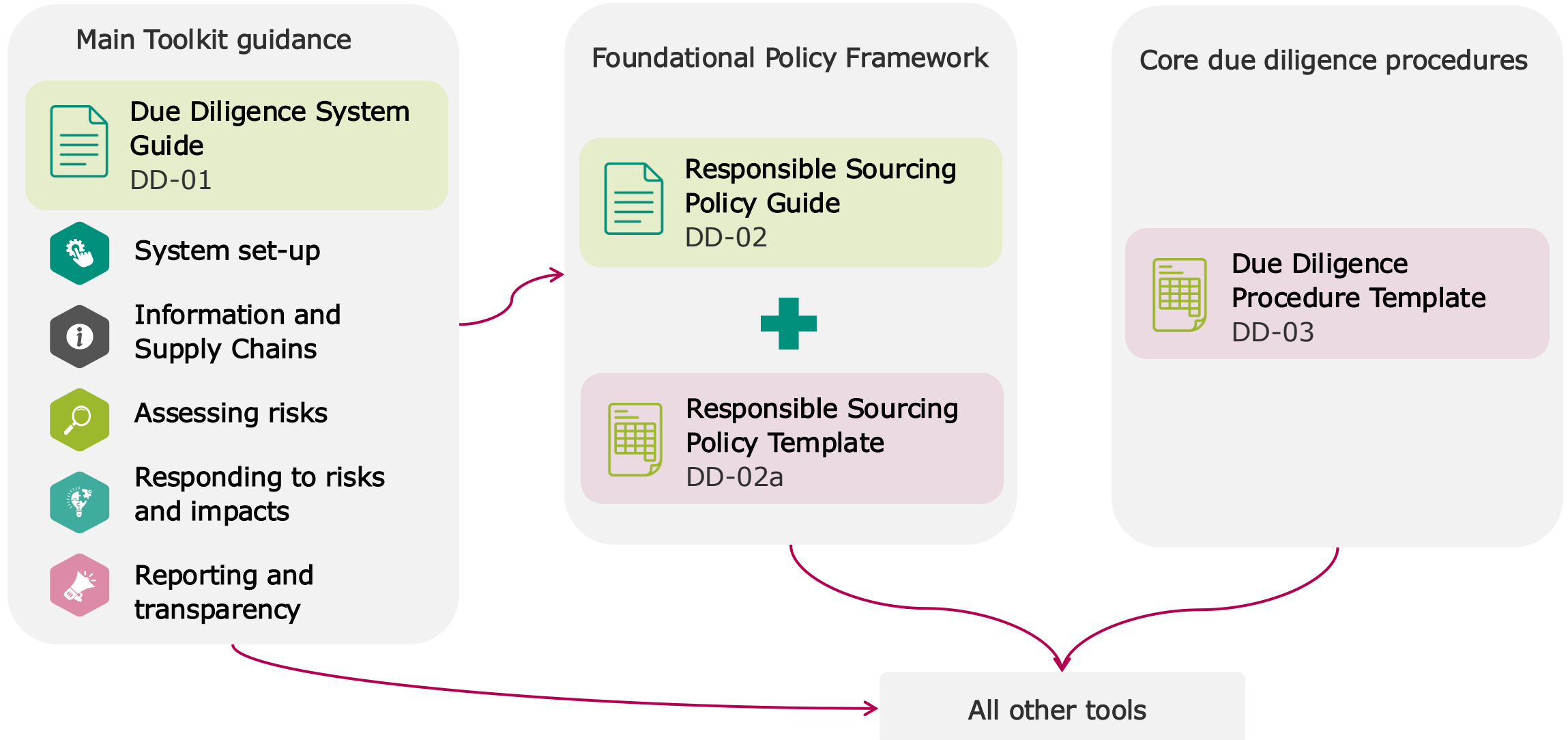


Step 1: System set-up



Name	Type	Code	Description
Due Diligence System Guide	Guidance	DD-01	Introduction to sustainability Due Diligence. Explains how Toolkit can be used, describing each step in a robust Due Diligence process, and linking the steps with individual tools of Toolkit.
Responsible Sourcing Policy Guide	Guidance	DD-02	Guidance on topics that a responsible sourcing policy should cover. Offers insights into how policy could be structured.
Responsible Sourcing Policy Template	Template	DD-02a	Template for creating a responsible sourcing policy for forestry and agricultural commodities.
Due Diligence Procedures Template	Template	DD-03	Skeleton template that can be used as basis for a documented Due Diligence procedure.

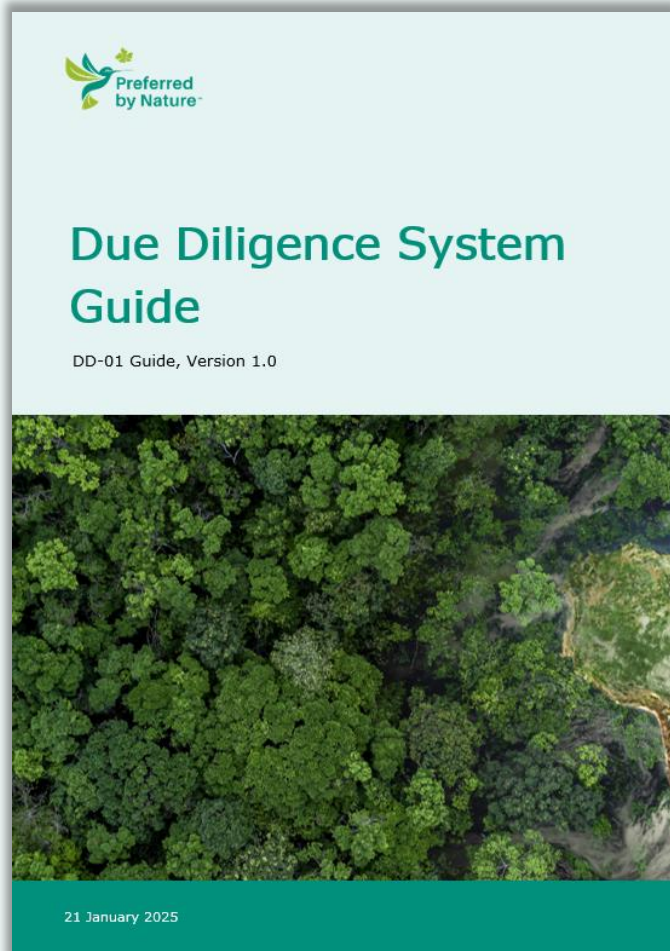
Step 1



Step 1: System set-up

Due Diligence System Guide (DD-01)

- 🌲 Introduction to the Toolkit
- 🌲 Guidance on all tools
- 🌲 Linking the tools



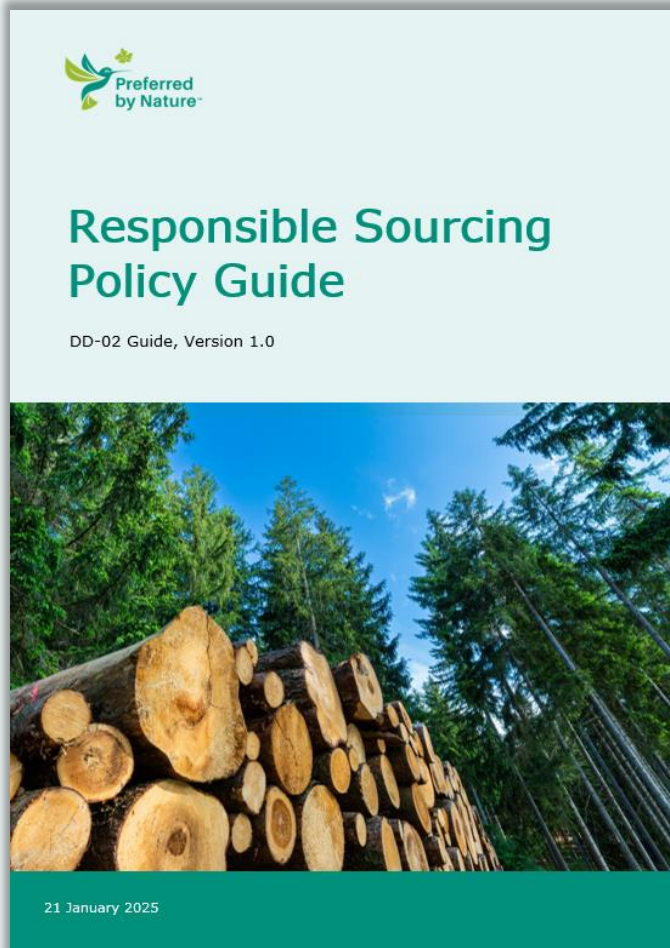
Step 1: System set-up



Responsible Sourcing Policy Guide (DD-02)

Guidance on what a responsible sourcing policy should contain

1. Policy Development Best Practices
2. Committing to Responsible Management and Business Practices
3. Committing to Social Responsibility
4. Committing to Environmental Responsibility



Step 1: System set-up



Responsible Sourcing Policy Template

DD-02a Template, Version 1.0



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Responsible Sourcing Policy Template (DD-02a)

- 🌲 Template based on the elements of DD-02
- 🌲 Includes sustainability definitions of the Preferred by Nature Sustainability Framework

3.1 Forests and Other Ecosystems are not Converted.

We are committed to ensuring our activities do not contribute to deforestation or the conversion of natural ecosystems. After 31 December 2020, we ensure that none of our supply chains source raw materials from areas that have been converted from forest to agricultural land, degraded or converted primary forests to plantations or other wooded lands, or from degraded naturally regenerating forests.



This is an EUDR deforestation-free-relevant indicator.

Step 1: System set-up



Due Diligence Procedures Template (DD-03)

Template to write procedures related to all aspects of a Due Diligence System

Part 1) Quality Management System

Part 2) Due Diligence System

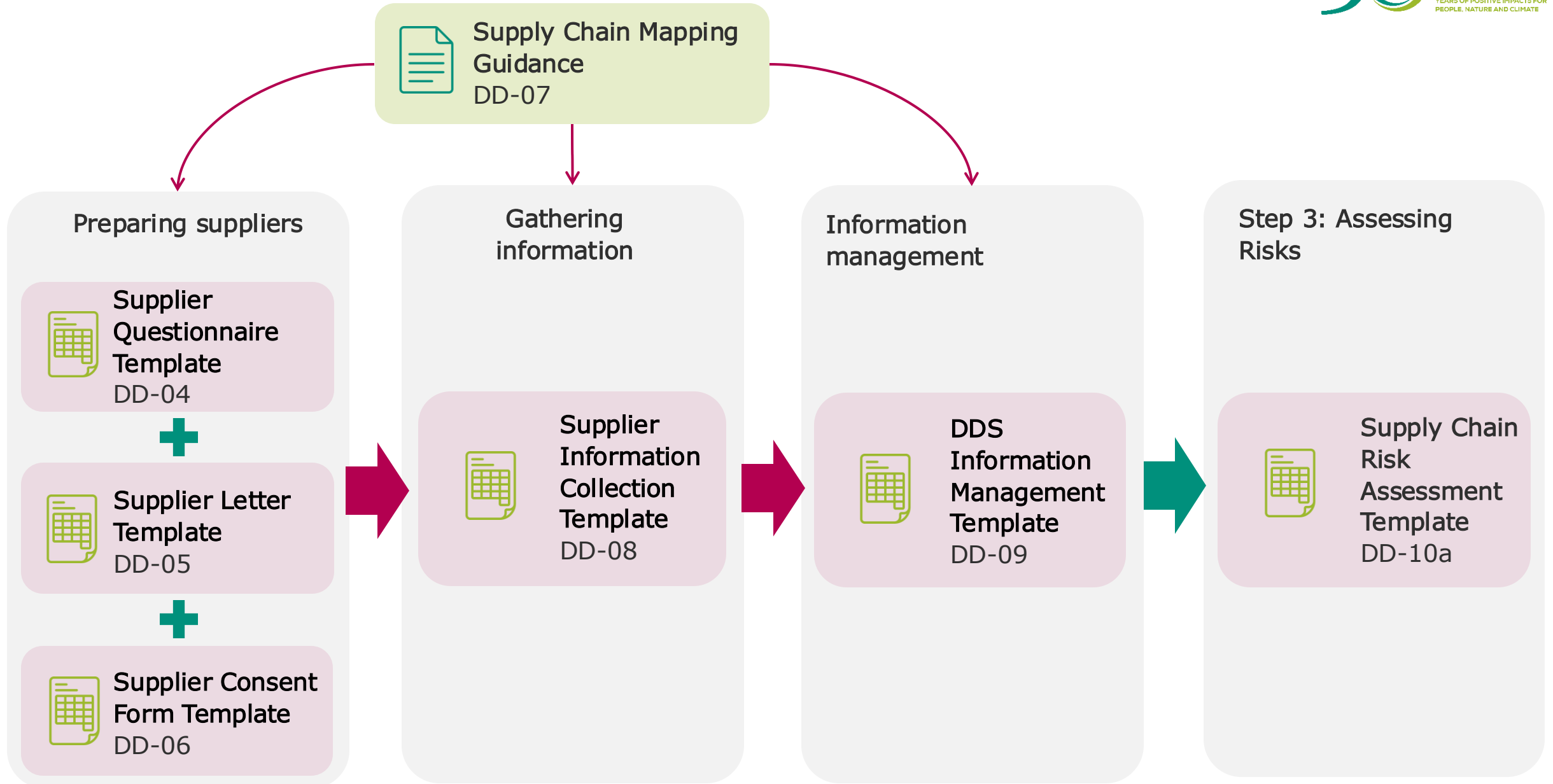


Step 2: Information and Supply Chains



Name	Type	Code	Description
Supplier Questionnaire Template	Template	DD-04	Supports organisations in the processes of supplier selection and onboarding.
Supplier Letter Template	Template	DD-05	Template for informing suppliers about your sustainable sourcing commitments and the information you are requesting from them.
Supplier Consent Form Template	Template	DD-06	Template for obtaining supplier consent on the information you are requesting from them.
Supply Chain Mapping Guide	Guidance	DD-07	Introduction to supply chain mapping and how it is a critical early step in Due Diligence processes.
Supplier Information Collection Template	Template	DD-08	Template can be used to collect detailed information about suppliers, products and their components, as well as raw material origins.
DDS Information Management Template	Template	DD-09	Example of how supplier and product information can be managed.

Step 2



Step 2: Information and Supply Chains



Supplier Questionnaire Template

DD-04 Template, Version 1.0



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Supplier Questionnaire Template (DD-04)

Questions to evaluate suppliers

1. Sourcing policy and procedures
2. Certifications
3. Questions for land managers
4. Suppliers' Due Diligence Systems (DDS)
5. Risk assessment
6. Risk mitigation
7. Reporting / complaints / other

Step 2: Information and Supply Chains



Supplier Letter Template (DD-05)

Inform suppliers about:

- 🌲 Responsible sourcing commitments
- 🌲 Information that will be requested
- 🌲 Additional evidence about supply chains

Generic Supplier Letter
+
EUDR Supplier Letter



Step 2: Information and Supply Chains



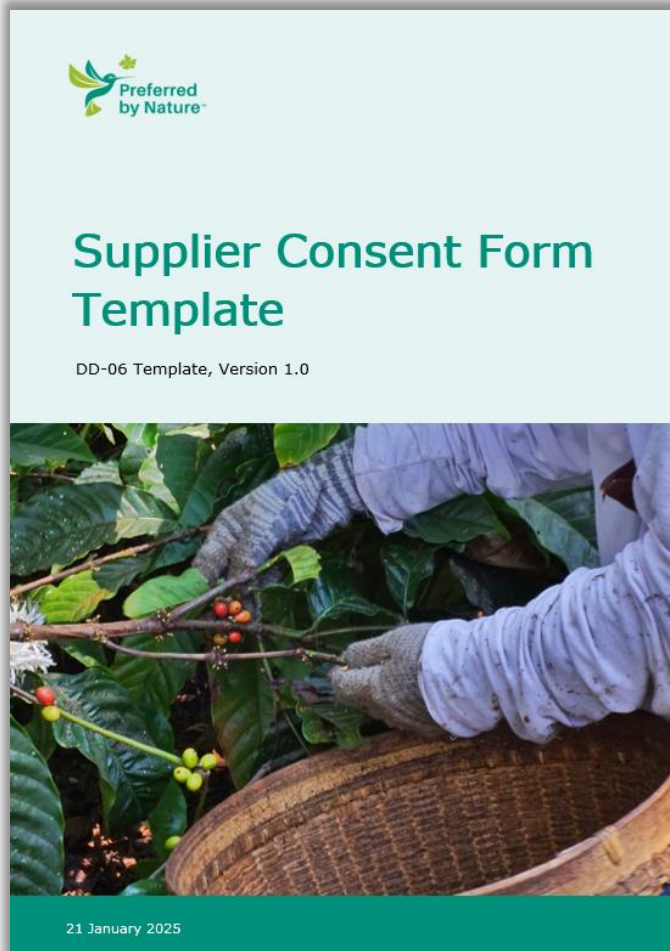
Supplier Consent Form Template (DD-06)

Obtain consent from suppliers on the requested information

Commitment and Access to Information Consent Form

+

EUDR Commitment and Access to Information Consent Form



Step 2: Information and Supply Chains

Supply Chain Mapping Guide (DD-07)

Guide on how to:

- 🌲 Manage supply chain information
- 🌲 Evaluate suppliers
- 🌲 Ensure supplier collaboration
- 🌲 Collect supply chain information
- 🌲 ...and more

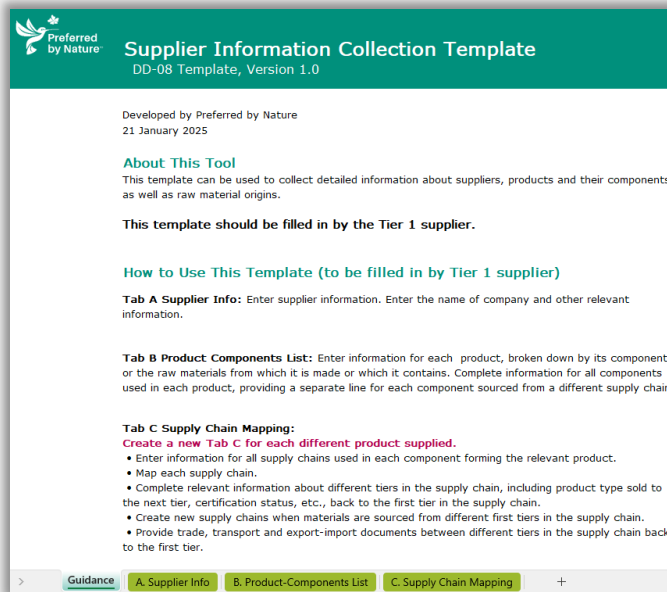


EUDR specific guidance on information collection and geolocation



Step 2: Information and Supply Chains

Supplier Information Collection Template (DD-08)

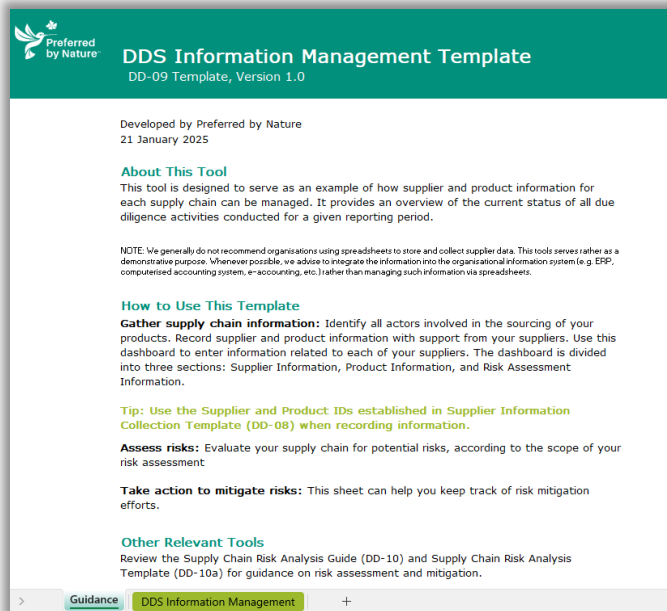


This tool is used to:

- 🌲 Collect supplier information
- 🌲 Collect product and product component information
- 🌲 Due Diligence reference numbers (for EUDR)
- 🌲 Map supply chains

Step 2: Information and Supply Chains

DDS Information Management Template (DD-09)



Organisations can use this template:

- 🌲 To keep track of their products and suppliers
- 🌲 For Due Diligence activities
- 🌲 For certification status
- 🌲 For risk conclusions
- 🌲 For EUDR specific information

Step 3: Assessing risks

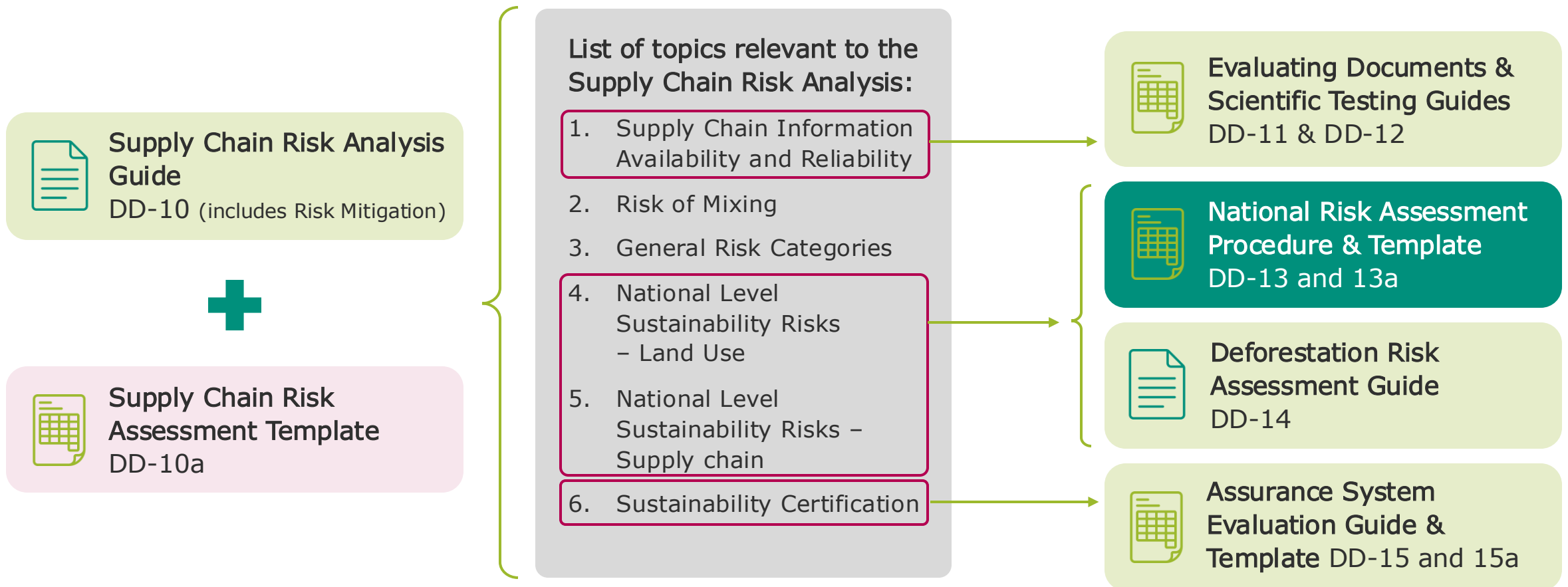


Name	Type	Code	Description
Supply Chain Risk Analysis Guide	Guidance	DD-10	Guidance on the supply chain risk analysis process. Addresses broad range of topics.
Supply Chain Risk Analysis Template	Template	DD-10a	Template for recording the results of Supply Chain Risk Analyses.
Evaluating Documents Guide	Guidance	DD-11	Guidance on verifying the integrity and authenticity of documents.
Scientific Testing Techniques Guide	Guidance	DD-12	Provides an overview of different scientific testing methods.
National Risk Assessment Procedure	Procedure	DD-13	Procedures on how to develop a National Risk Assessment for Forest/Ag commodities.
National Risk Assessment Template	Template	DD-13a	Template to assist organisations in developing a National Risk Assessment.
Deforestation Risk Assessment Guide	Guidance	DD-14	Guidance to help organisations assess and mitigate deforestation risks.

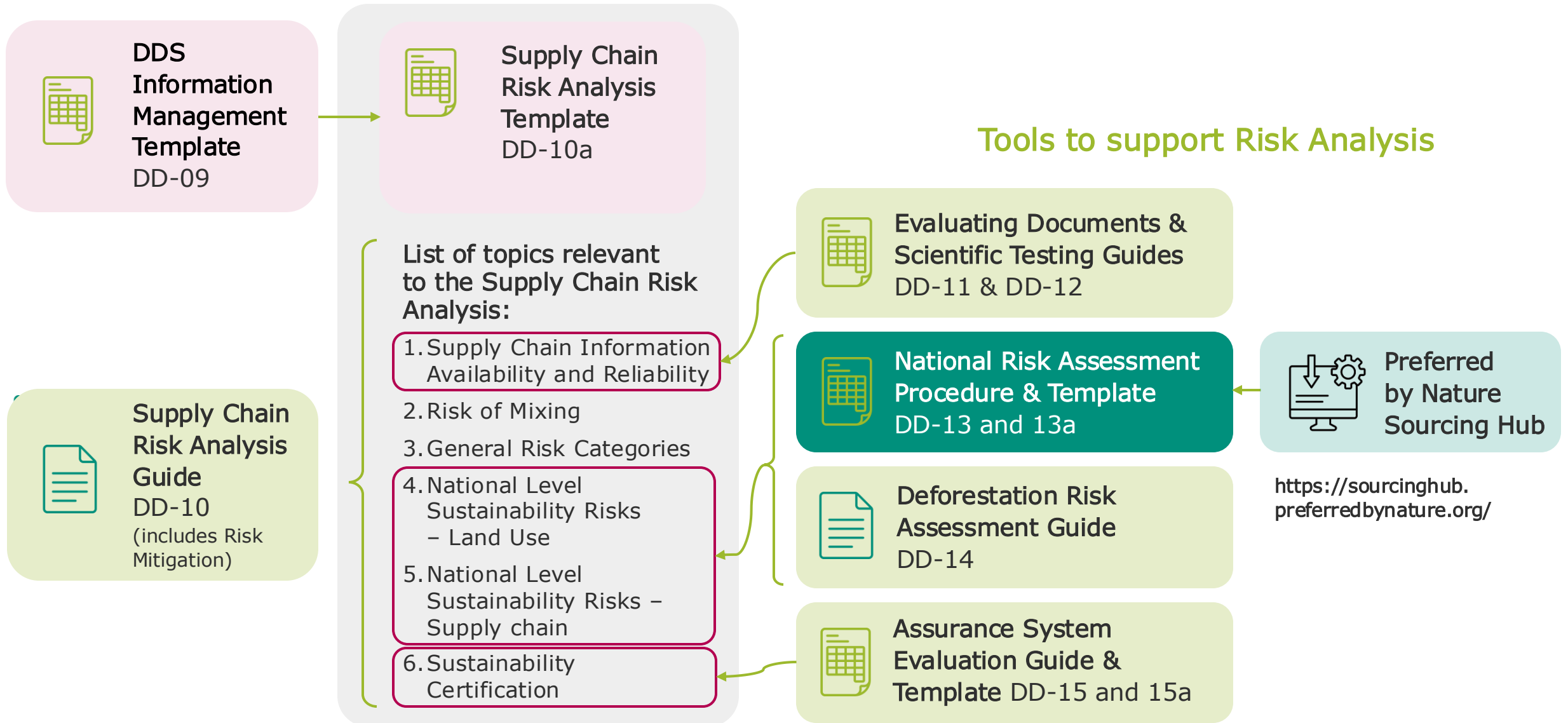
Flow of tools: Supply Chain Risk Analysis

Supply Chain Risk Analysis

Tools to support Risk Analysis

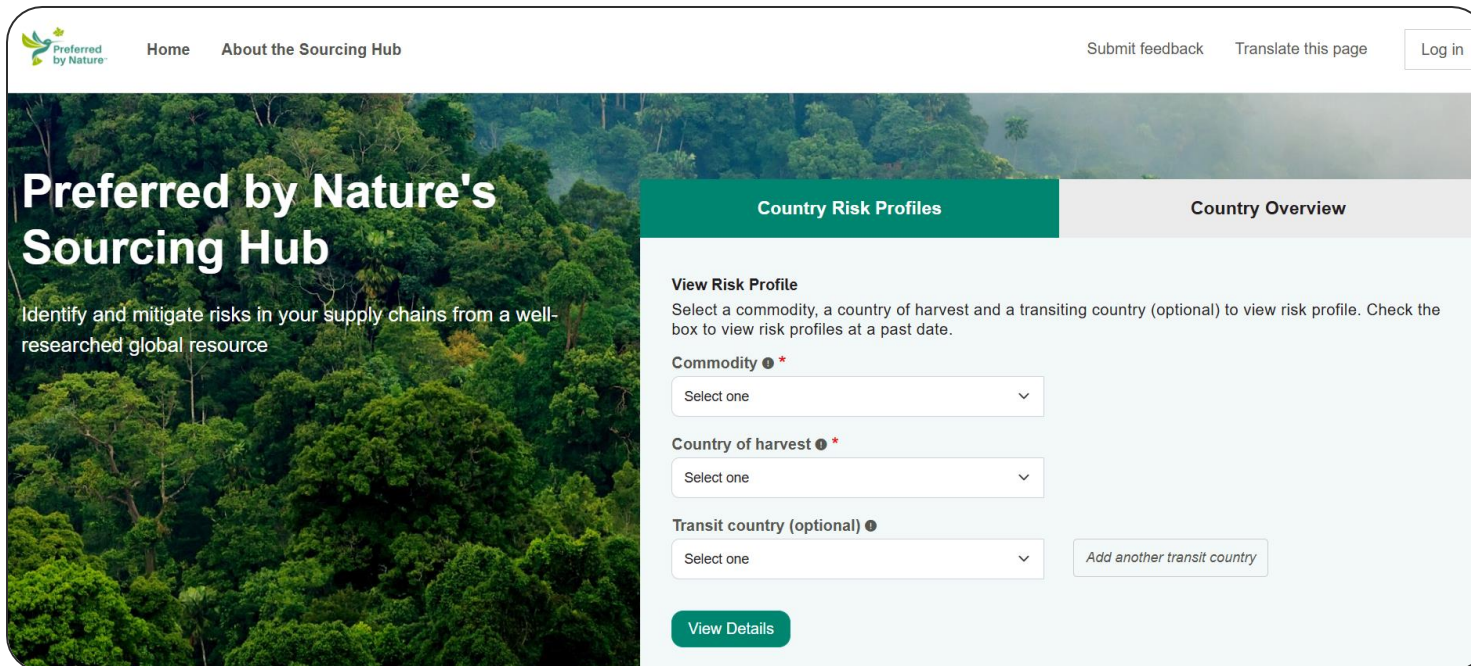


Flow of tools: Supply Chain Risk Analysis



Tools to support Risk Analysis

Preferred by Nature Sourcing Hub



Database with risk data relating to timber and agricultural commodities covering legality risks and offering specific guidance on how to mitigate identified risks



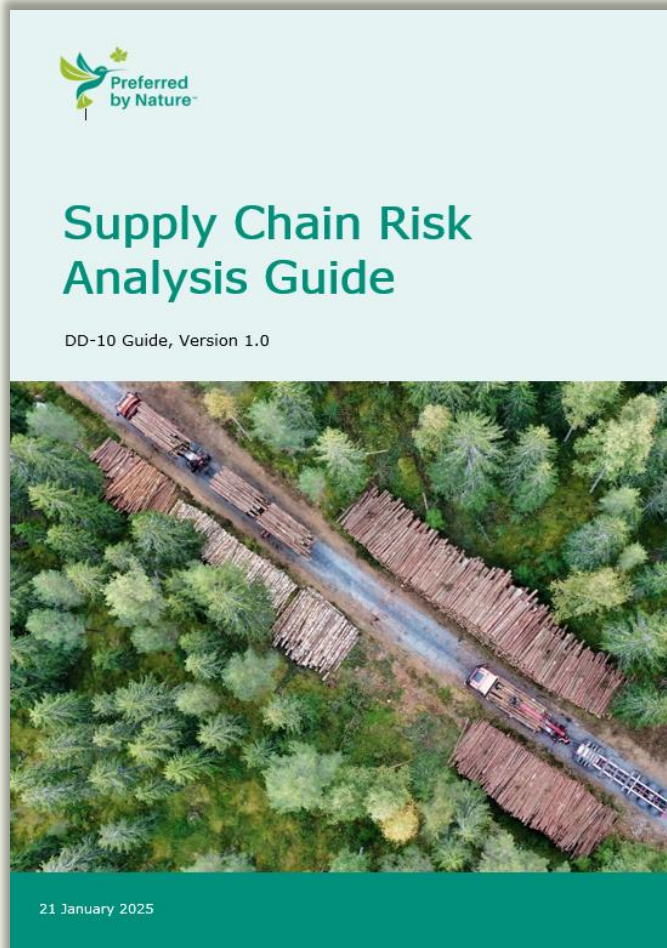
<https://sourcinghub.preferredbynature.org/>

Step 3: Assessing risks

Supply Chain Risk Analysis Guide (DD-10)

Supply chain risk topics:

- ▲ Data availability
- ▲ Risk of mixing
- ▲ General risk categories
- ▲ National risks
- ▲ EUDR relevant aspects to risk assessment

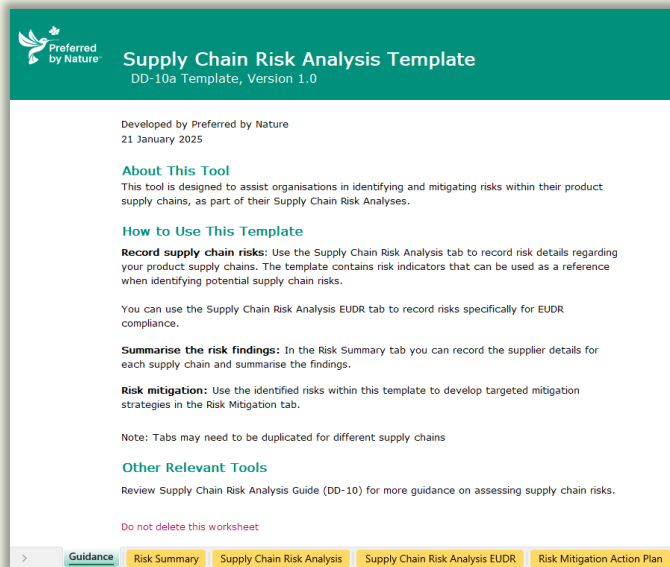


Step 3: Assessing risks

Supply Chain Risk Analysis Template (DD-10a)

Practical implementation of a supply chain risk analysis:

- 🌲 Includes list of possible supply chain risks
- 🌲 Guidance on each risk
- 🌲 Mitigation action plan
- 🌲 EUDR-specific risks



Step 3: Assessing risks

Evaluating Documents Guide (DD-11)

- ▲ Provides 8 tips for evaluating documents
- ▲ Guidance on what to do if fake documents are detected



Step 3: Assessing risks

Scientific Testing Techniques Guide (DD-12)

- ▲ Introduces different scientific testing techniques:
 - Genetic analysis
 - Stable Isotope Ration Analysis
 - ...and more
- ▲ Using testing techniques for EUDR-specific commodities
- ▲ Detailed guide on timber testing techniques



Scientific Testing Techniques & Technologies to Support Origin and Species Identification

DD-12 Guide, Version 1.0

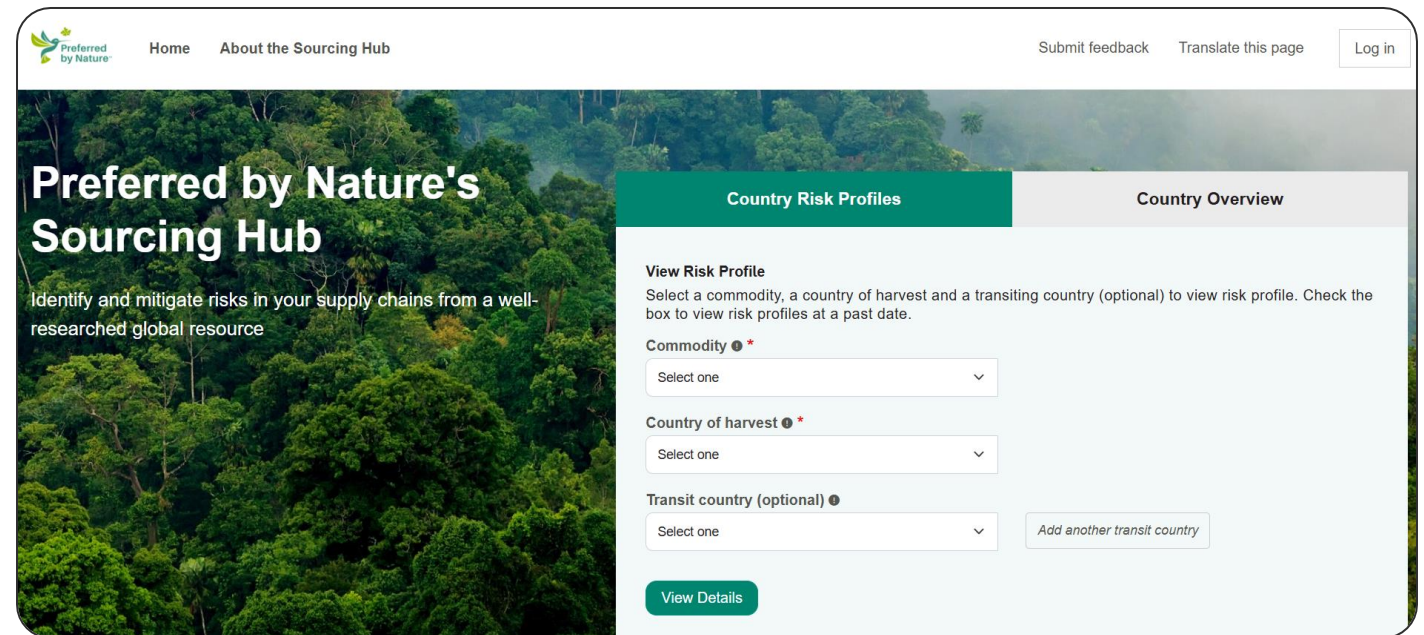
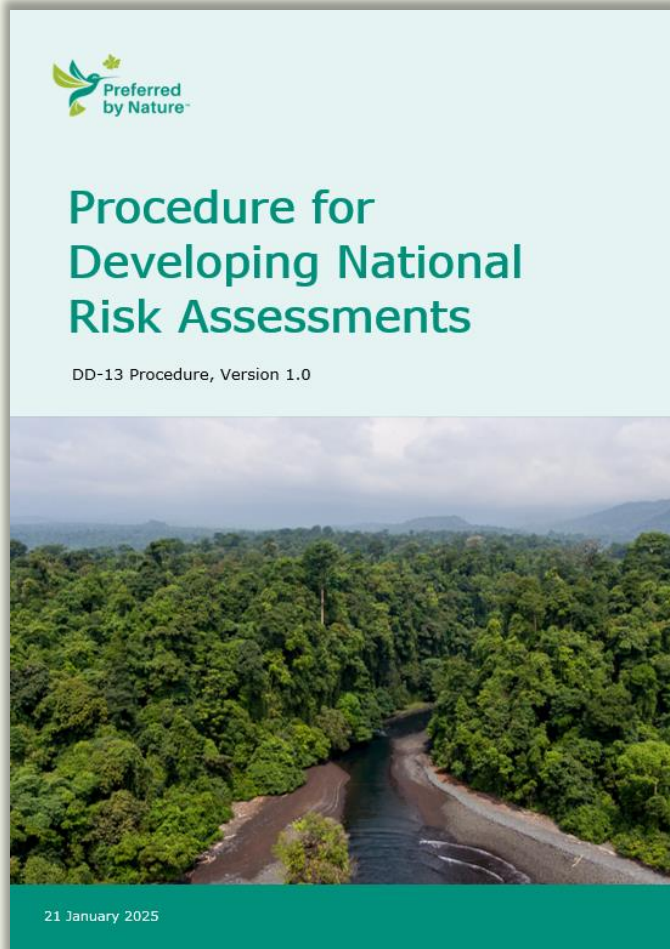


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Step 3: Assessing risks

National Risk Assessment Procedure (DD-13)

Step-by-step methodology on developing a National Risk Assessment

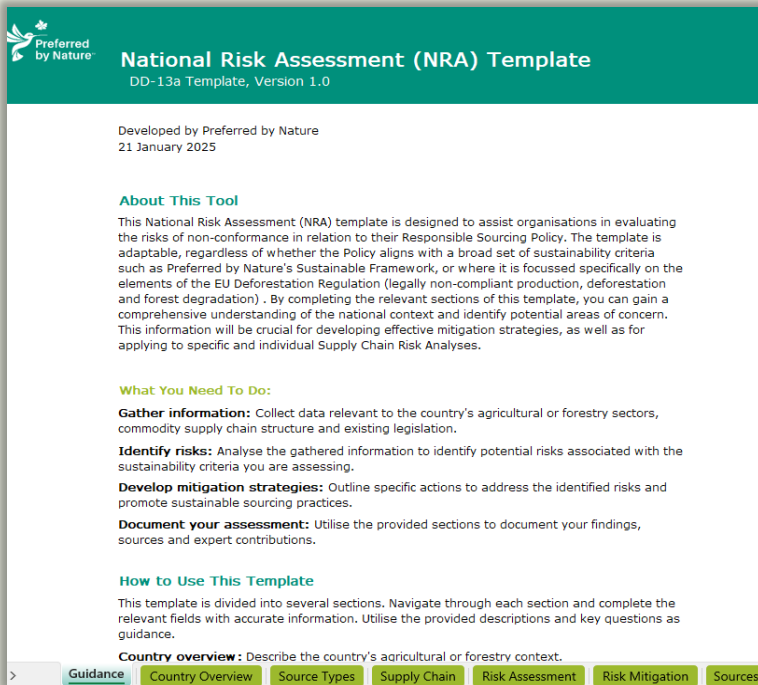


<https://sourcinghub.preferredbynature.org/>

Step 3: Assessing risks

National Risk Assessment Template (DD-13a)

- 🌲 Template to evaluate risks in relation to their responsible sourcing ambitions
- 🌲 Track country specific information on:
 - Agriculture and forestry
 - Supply chain structure
 - Existing legislation



Preferred
by Nature

National Risk Assessment (NRA) Template

DD-13a Template, Version 1.0

Developed by Preferred by Nature
21 January 2025

About This Tool

This National Risk Assessment (NRA) template is designed to assist organisations in evaluating the risks of non-conformance in relation to their Responsible Sourcing Policy. The template is adaptable, regardless of whether the Policy aligns with a broad set of sustainability criteria such as Preferred by Nature's Sustainable Framework, or where it is focussed specifically on the elements of the EU Deforestation Regulation (legally non-compliant production, deforestation and forest degradation). By completing the relevant sections of this template, you can gain a comprehensive understanding of the national context and identify potential areas of concern. This information will be crucial for developing effective mitigation strategies, as well as for applying to specific and individual Supply Chain Risk Analyses.

What You Need To Do:

Gather information: Collect data relevant to the country's agricultural or forestry sectors, commodity supply chain structure and existing legislation.

Identify risks: Analyse the gathered information to identify potential risks associated with the sustainability criteria you are assessing.

Develop mitigation strategies: Outline specific actions to address the identified risks and promote sustainable sourcing practices.

Document your assessment: Utilise the provided sections to document your findings, sources and expert contributions.

How to Use This Template

This template is divided into several sections. Navigate through each section and complete the relevant fields with accurate information. Utilise the provided descriptions and key questions as guidance.

Country overview: Describe the country's agricultural or forestry context.

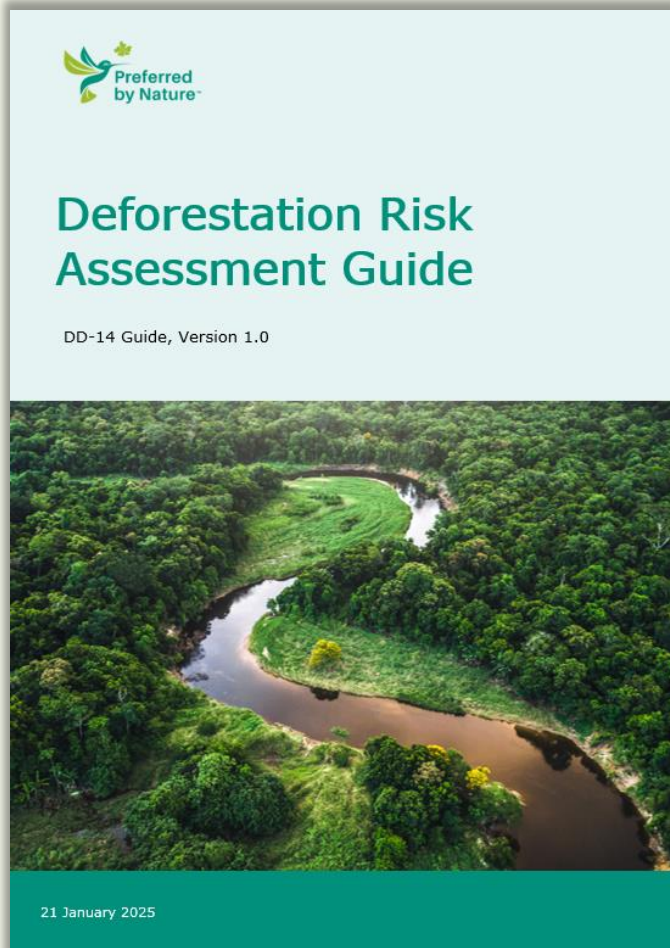
> **Guidance** | Country Overview | Source Types | Supply Chain | Risk Assessment | Risk Mitigation | Sources

Step 3: Assessing risks



Deforestation Risk Assessment Guide (DD-14)

- ▲ Provides examples of deforestation evaluation:
 - Assessment tools
 - Databases
 - Platforms
- ▲ Offers a roadmap for conducting geospatial analysis



Step 4: Responding to risks and impacts



Name	Tool	Code	Description
Assurance System Evaluation Procedure	Procedure	DD-15	Procedure to support the evaluation of Assurance (verification or certification) systems.
Assurance System Evaluation Template	Template	DD-15a	Framework for recording an organisation's evaluation of an Assurance System.
Digital Tools for Responsible Sourcing Guide	Guidance	DD-16	Guidance for organisations in evaluating digital tools for responsible sourcing of commodities, impacting forests and ecosystems under regulatory or other sustainability requirements.
Supplier Verification Guide	Guidance	DD-17	Guide for organisations wishing to conduct verifications of suppliers – or even implement a verification programme of their suppliers.
Supplier Verification Report Template	Template	DD-17a	Master supplier audit checklist template, for your organisation to conduct different types of supplier verification audits.

Flow of tools: Step 4: responding to risks

Risk Assessment Result



Assurance System = all types of 2nd and 3rd party and government systems



**Assurance System
Evaluation Procedure
DD-13**



**Assurance System
Evaluation Template
DD-13a**



Includes verification of producer and supply-chain level, traceability, and DDS



**Supplier Verification
Guide
DD-17**



**Supplier Verification
Report Template
DD-17a**



These two also include some Risk Mitigation guidance



**Due Diligence System
Guide
DD-01**



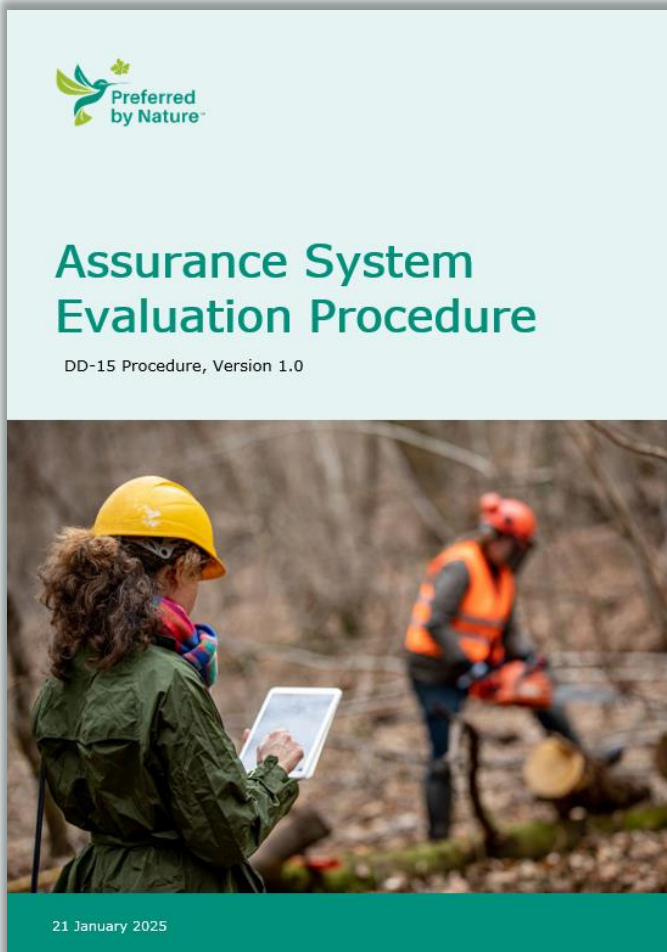
**Supply Chain Risk
Analysis Guide
DD-10**

Step 4: Responding to risks and impacts



Assurance System Evaluation Procedure (DD-15)

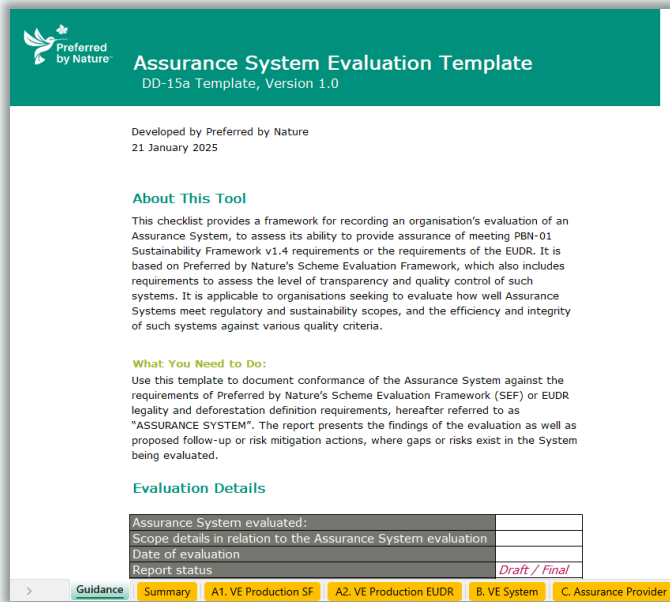
- ▲ Used together with DD-15a to evaluate assurance systems
- ▲ Describes a 6-step procedure of the evaluation process



Step 4: Responding to risks and impacts



Assurance System Evaluation Template (DD-15a)



🌲 Checklist framework for evaluating an assurance system

🌲 Two options:

- Assurance of meeting Preferred by Nature Sustainability Framework requirements
- Assurance of meeting EUDR requirements

Step 4: Responding to risks and impacts



Digital Tools for Responsible Sourcing Guide (DD-16)

- ▲ Introduces key concepts
- ▲ Provides key questions to evaluate organisational needs for digital tools
- ▲ Lists existing supply chain mapping and traceability service providers



Step 4: Responding to risks and impacts



Supplier Verification Guide (DD-17)

- ▲ Step-by-step guide to a supplier verification auditing process
- ▲ Actions for each step



Step 4: Responding to risks and impacts



Supplier Verification Report Template (DD-17a)

- 🌲 Supplier audit checklist
- 🌲 Used when persisting risks with suppliers have been identified



Step 5: Reporting and transparency



Name	Tool	Code	Description
DDS Public Reporting Template	Template	DD-18	Template for reporting publicly on your Due Diligence System for responsible sourcing of forestry and agricultural commodities.
Product Statement Template	Template	DD-19	Template for organisations to provide important technical information about the products they are supplying.

Step 5: Reporting and transparency



Due Diligence System Public Reporting Template

DD-18 Template, Version 1.0



21 January 2025

DDS Public Reporting Template (DD-18)

- ▲ Template for reporting on a Due Diligence System for forestry or agricultural products
- ▲ Two versions:
 - Alignment with Preferred by Nature Certification
 - Seeks to meet the reporting requirements of the EUDR

Step 5: Reporting and transparency



Product Statement Template (DD-19)

Sharing information about products through supply chain



Accessing the toolkit

1. Visit the dedicated webpage
2. Enter personal information
(name, email, organisation, country)
3. Download Zip File of latest versions of all tools
AND access to Individual Tools
4. Sign up to receive:
 - Updates on the Toolkit
 - Promotion of related activities (webinars, services)
 - Future survey opportunity for needs & improvements



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However, please note



We would appreciate receiving a copy of any modified version.



You must credit Preferred by Nature and include a visible link to our website
www.preferredbynature.org.

Future of the Toolkit



Updates

Ongoing improvements based on feedback

- Alignment with revised Sustainability Framework requirements
- Ongoing updating in line with EUDR guidance, clarifications, Country Benchmarks, emerging approaches
- Tools for entities sourcing directly from the forest/farm (Producer countries)
- Tools for implemented by Producing Organisations (EU only)



Future opportunities

- Revision to support compliance or alignment with other sustainability regulations
 - EU CSDDD and/or human and worker rights
- Specific tools for specific topics/themes.

Join us on upcoming EUDR webinar



Webinar

EU Deforestation Regulation: Exploring the latest interpretations and updates

30 | 13.00 - 14.15
JAN | (CET)



Register here:



Keep in Touch with Us



Christian Sloth

Director, Sustainability Programme

cs@pbn.org | +45 3158 7981

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Preferred by Nature works to support better land management and business practices that benefit people, nature and climate in 100+ countries.

