



# Climate Goals and Sustainable Business in the context of GHG emissions reduction

# Essential Global & EU Plans

2015 / United Nations call to action with 17 Sustainable Development Goals (SDG)

2015 / the Paris Agreement adopted by 196 countries, goal to limit global warming to 1.5°C

2020 / European Green Deal net-zero by 2050

2021 / FIT55 - reduce emissions by 55%, 2030 (compared to 1990 levels)

The world's global  
emissions in 2023  
are  
~60.2 GT CO<sub>2</sub>e



10 000 listed companies – 11.2 GT  
1.5°C reached by 2026 October 26

# Essential Tools of EU

## Disclosure directives and standards:

CSRD - Corporate Sustainability Reporting Directive

ESRS - EU Sustainability Reporting Standards (ESG reporting)

CSDDD - Corporate Sustainability Due Diligence Directive

## Financing:

Public funding (EU investments and funds; national initiatives)

Financial sector (taxonomy, requirements of European Central bank)

## Setting targets and guidelines:

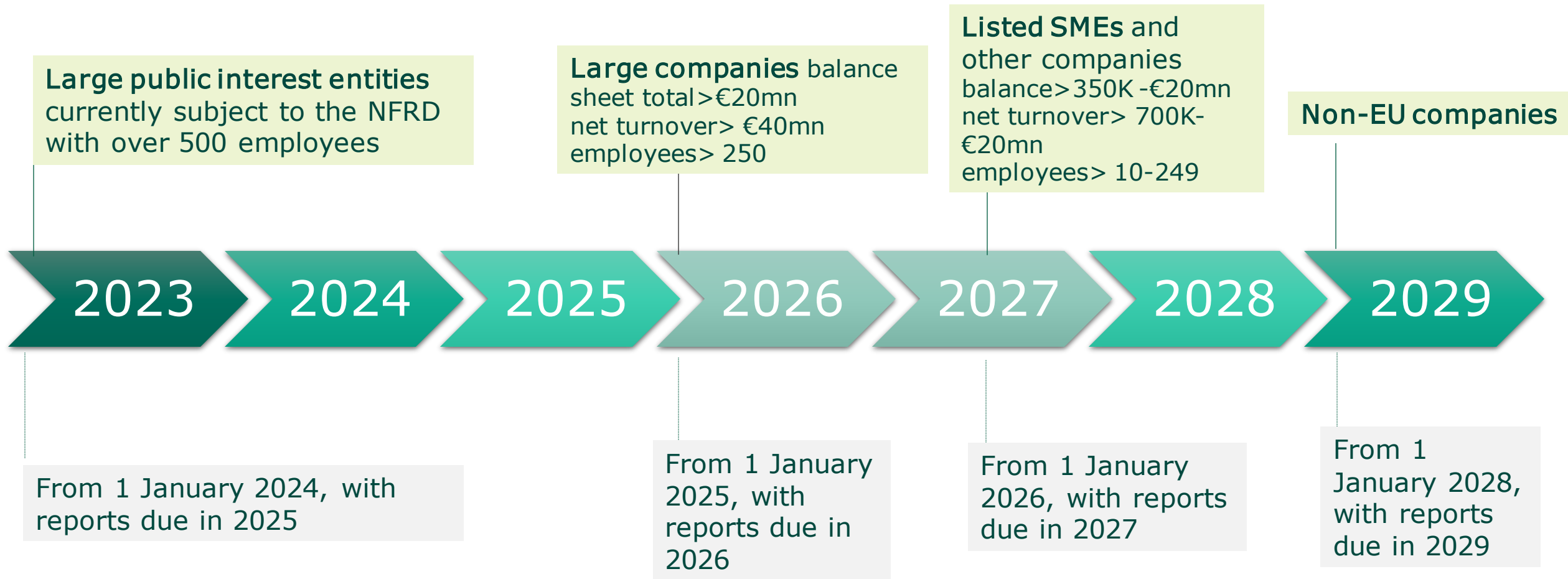
Targets for emissions reductions set for different sectors, industries.

## Emission Taxes:

EU ETS - EU's Emissions Trading System (>152 bn. EUR from 2013)

CBAM - Carbon Border Adjustment Mechanism (2023-2026) for iron, steel, cement, aluminium, fertilizers and hydrogen.

# The CSRD timeline



A new EU legal act obliging all companies within its scope to regularly report on the impact of their activities on the environment, social and the governance aspects.

Eventually the disclosure requirements will affect all companies in supply chains.

## **Due Diligence system:**

- supplier questionnaires
- supplier audits

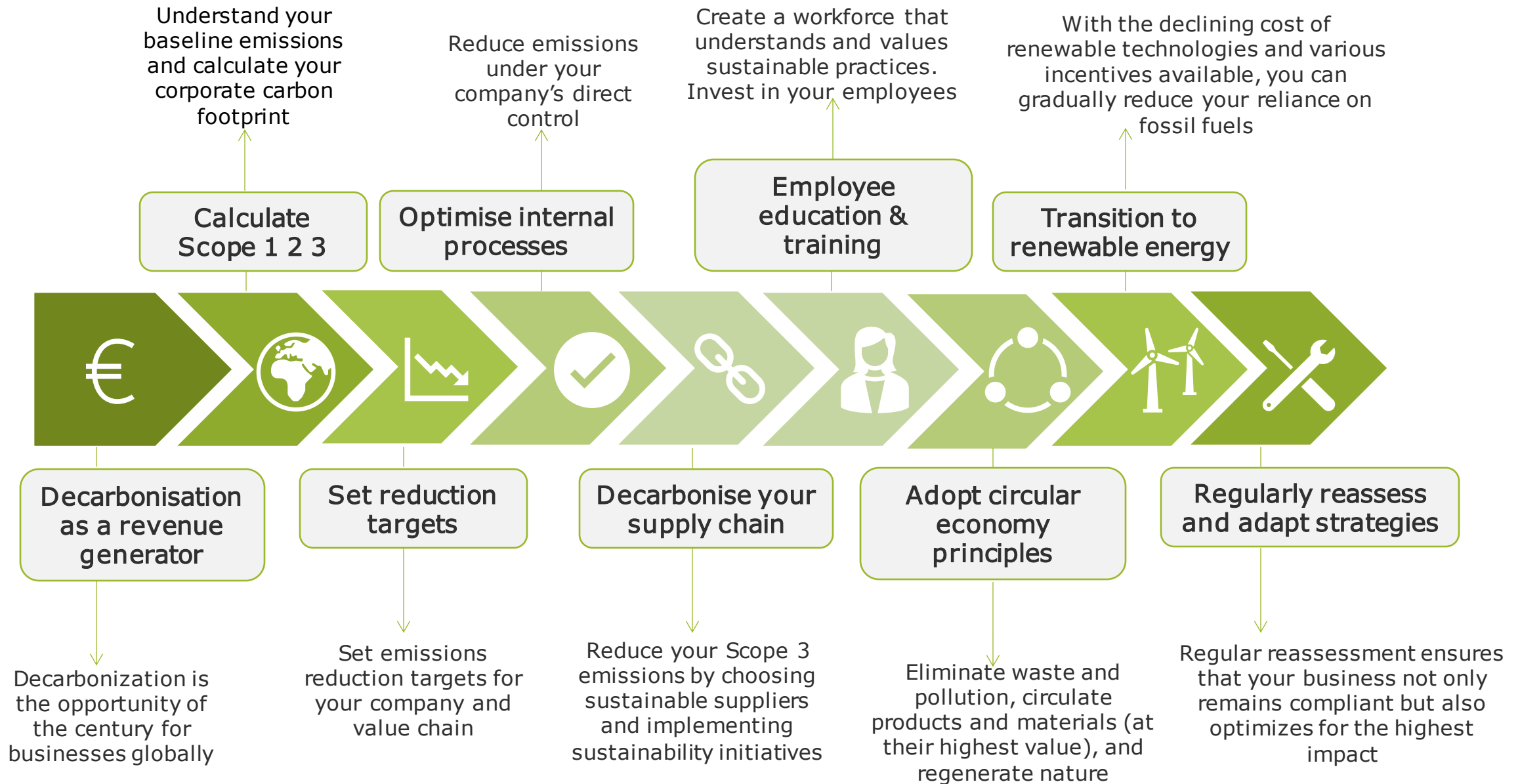
## **Suppliers Code of Conduct:**

- human rights
- health & safety
- environmental impact

## **Scope 3 GHG emissions:**

- emissions of products and
- services supplied

# Climate goals: SME's decarbonisation strategy

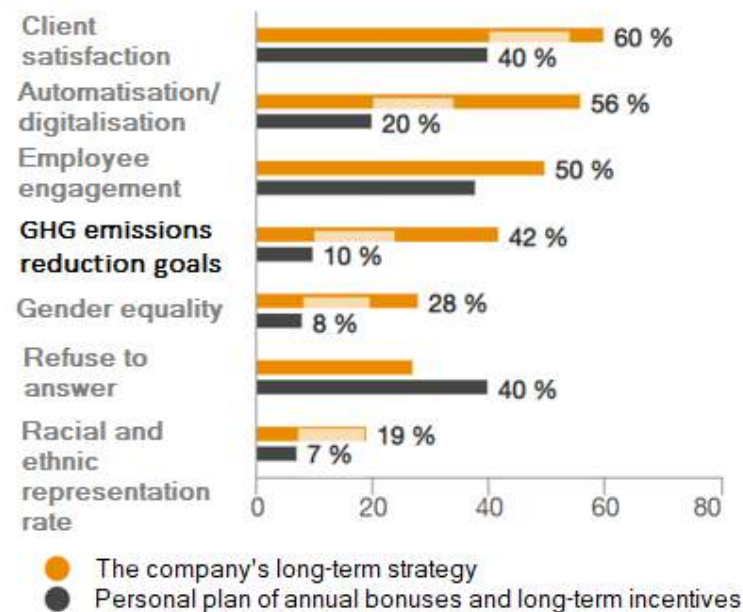


## Decarbonisation Opinions of CEO's in the Baltic companies 10<sup>th</sup> survey by „PWC“

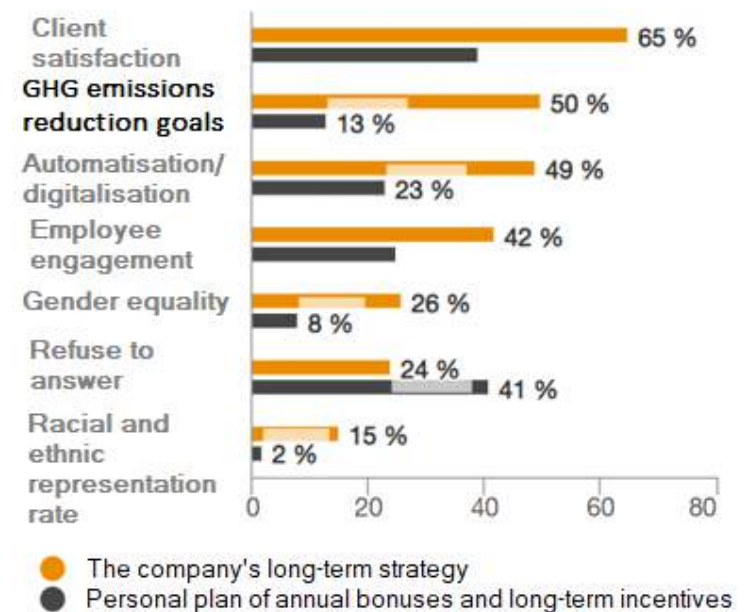
### Lithuania



### Latvia



### Estonia



# Sustainability reporting challenges or opportunities?



EU regulations  
become strict



Every job becoming  
a climate job



Growing pressure  
from stakeholders



Costs and expenses



GHG Emissions data  
collection &  
calculation



Growing public  
awareness,  
greenwashing claims

# Carbon Offset vs Saving emissions?

The power of saving emissions



Drive cost savings



Build resilience



Foster innovation



Offsetting should not be seen as a substitute for emission reduction or avoidance, but as a complement to it.

## The potential of offsetting

### Create an immediate impact

- ✓ Carbon offsetting allows for an instantaneous response to emissions

### Fund essential projects

- ✓ Offsetting often channels funds to critical environmental and conservation projects that rely on external funding

# Carbon projects: project types

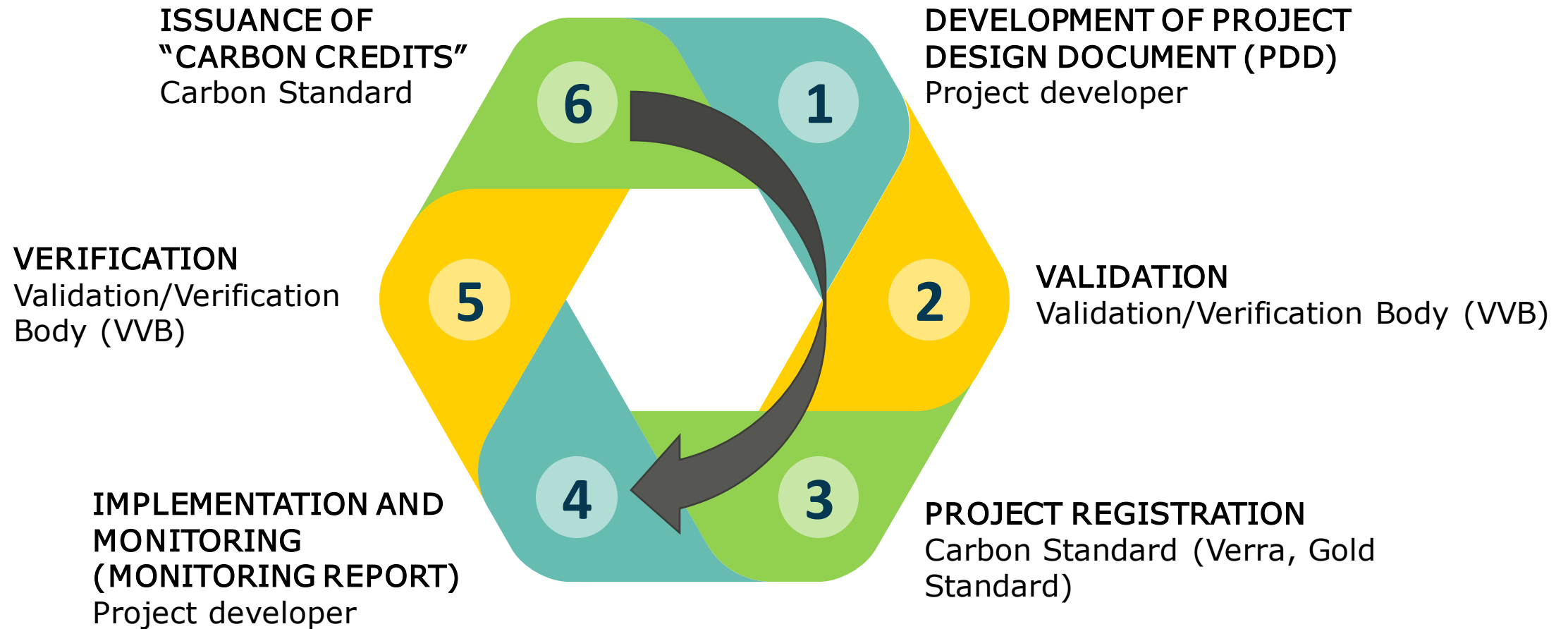
## MANY PROJECT TYPES

Two main groups:

- Emission reduction projects, linked to the reduction in the use of fossil fuels.
- Removals projects, linked with land use, with the potential of natural ecosystems to sequester CO<sub>2</sub>



# Carbon projects: project cycle





# Carbon projects: validation / verification

Preferred by Nature offers carbon projects validation/verification according to:

Verra -  
VCS

Gold  
Standard

Plan Vivo



# Carbon projects: project types

Forestry



Agriculture



Grasslands



Wetland



Livestock & manure



NATURE  
BASED  
SOLUTIONS

*GHG removals*  
*Emission reduction*  
*Emission avoidance*



Energy



Construction



Waste



Industrial  
processing



Transport



Mining

*Emission reduction*

# Carbon projects: NBS-AFOLU types

## AVOIDED EMISSIONS

- **REDD+**: Reducing Emissions from Deforestation and Degradation plus conservation, sustainable management, and enhancement of forest stocks
- **ACoGS**: Avoided Conversion of Grasslands and Shrublands

## REMOVALS

- **ARR**: Afforestation, Reforestation and Revegetation. Increase stocks
- **IFM**: Improved Forest Management. Increase stocks
  - Reduced Impact Logging
  - Logged to Protected Forest
  - Extended Rotation Age / Cutting Cycle
  - Low-Productive to High-Productive Forest
- **ALM**: Agricultural Land Management. Increase stocks/reduce emissions from soils
  - Improved Cropland Management
  - Improved Grassland Management
  - Cropland and Grassland Land-use Conversions
- **WRC**: Wetlands restoration and conversion

# Carbon credits: the rules we follow

## Nature-based solutions types of projects only

Focusing on Agriculture, Forestry, and Other Land Use

## Carbon removal projects shall be used (not avoidance)

- Afforestation, reforestation or revegetation
- Improved forest management (such as Reduced impact logging, Logged to protect forest, Extension of rotation age or Low production to high productive forest)
- Agricultural Land Management (such as Improved Cropland\Grassland Management or Cropland and Grassland Land-use Conversions)
- Wetlands Restoration

## Certified by credible verification scheme

- VERRA (in combination with CCB), Gold Standard or Plan Vivo.
- The list may not be conclusive and other schemes may be eligible Climate, Community & Biodiversity Standards

# Carbon credits shall:

- represent genuine, additional, and permanent GHG emissions reductions;
- be unique, measurable, entail no carbon leakage;
- be verified by a qualified and independent third-party verifier;
- be issued only after emissions reductions linked to the offset project have occurred unless noted as otherwise per the applicable offset standard or program;
- be retired within 12 months from the date of purchase;
- be stored and retired in an independent and credible registry;
- be supported by publicly available project documentation (e.g. quantification methodologies as well as validation and verification procedures);
- be issued after the offset project has demonstrated compliance with other parameters of the verification scheme, including demonstration of positive social impacts such as benefits to local beneficiaries or contributions to SDGs, where applicable.





## How to purchase carbon credits

**Gold Standard** – the credits can be purchased directly at Gold Standard website.

**Verified Carbon Standard** – the largest offsetting scheme with their own market place where project details can be found. These credits are mostly traded through recognized carbon traders (e.g. First Climate, Climate Neutral Group).

**Plan Vivo Standard** – the list of products can be found on their website, but the credits cannot be purchased directly from the website (acc. to coordinator details).

\*specific serial number linked to purchased credits

\*withdrawn from registry after purchase

# Carbon Credits: ratings



„The Calyx Global Platform allows you to find carbon credit ratings, dive into the research and find your way in the ever-evolving carbon market.“

<https://calyxglobal.com/>

## Approach:

analyze both (GHG) claim integrity  
Sustainable Development Goal (SDG) impact.

By evaluating and rating GHG risk and SDG impact separately, you can more clearly identify the credits that align with your goals.



„Our carbon credit ratings and detailed analytics help buyers invest in high-quality projects with real climate impact.“

<https://www.sylvera.com/>

## Approach:

All frameworks are peer-reviewed by a committee of experts and carbon market stakeholders (including project developers and registries) to ensure scientific consensus.

When evaluating projects, we build meticulous models for carbon, strength of baseline, and financial additionality, using our independent and proprietary data.



# Preferred by Nature Certification

# Preferred by Nature Sustainability Certification

4

principles

25

criteria

159

indicators

- Secure land tenure
- Clear management rights
- Payment of taxes
- Corruption avoided
- Responsible trade

Principle 1  
**MANAGEMENT**  
and **BUSINESS**  
practices are  
responsible.



Principle 2  
**PEOPLES**  
wellbeing and  
human rights  
are respected.



- No child labour
- No modern slavery
- No discrimination
- Fair payment
- Safe workplaces
- Gender equality
- Indigenous People

- Ecosystems protected
- Chemical use minimised
- Waste management
- Water resources
- Soil conservation
- Animal welfare

Principle 3  
**NATURE** and  
the environment  
are protected.



Principle 4  
**CLIMATE**  
impacts are  
reduced and  
mitigated.

- GHG reduction
- Climate adaptation
- GHG removal
- Ecosystem restoration

# 5 reasons to choose Preferred by Nature Certification



Aligned with the EU Deforestation regulation, synergy with other systems



Redefine | Raising the bar of credible sustainable certification by rebuilt trust and innovation



The **Seal** communicates sustainability and carbon compensation efforts



An **all-in-one standard**: flexibility and adaptability



Be part of Preferred by Nature Community

# Redefine - Raising the bar for credible sustainability certification



Designed to  
**harmonise** different  
sustainability  
requirements



**Rigorous standard:**  
covers all critical aspects  
of sustainability, has strong  
requirements for due  
diligence



Can be applied through  
a **risk-based approach**  
to focus on issues which  
are central to each  
product and supply chain



Objective to  
ensure **smallholder**  
**inclusivity** and  
empowerment



Aims to facilitate  
**decision-making** for  
operators and other  
actors in the supply  
chain



It focuses on **performance**  
**and outcomes** rather  
than systems and  
procedures



**Credible,**  
transparent  
and impartial



We offer additional tools,  
such as **Sourcing Hub**,  
**Due Diligence toolkit**  
(supply chain mapping,  
risk assessment)

# Preferred by Nature strategic priority commodities

Biomaterials



Cattle



Cocoa



Coffee



Palm oil



Rice



Rubber



Soy



Timber



# Preferred by Nature Certification - Standards

## Sustainability Framework

How we define sustainability



## System Requirements for Certificate Holders

How to ensure implementation of sustainability commitments



## Supplier Management and Due Diligence Requirements

How to apply a risk-based approach to meet sustainability requirements in supply chains



## Chain of Custody and Traceability Standard

How to manage product claims and material tracking



## Seal Use Policy

What is required before companies can make claims and use the Preferred by Nature seal



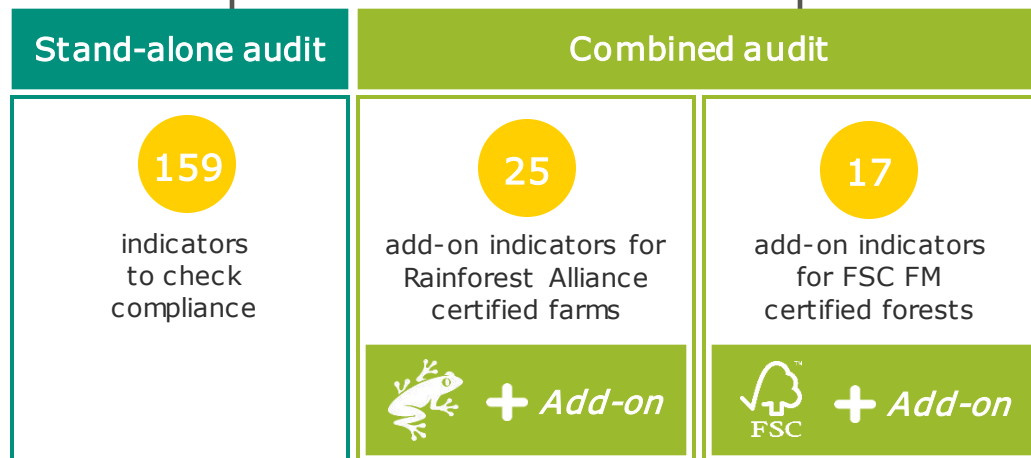
# Verification options

## CORE | Full Framework



Standard adaptations  
(risk and commodity)

*Delivered through*

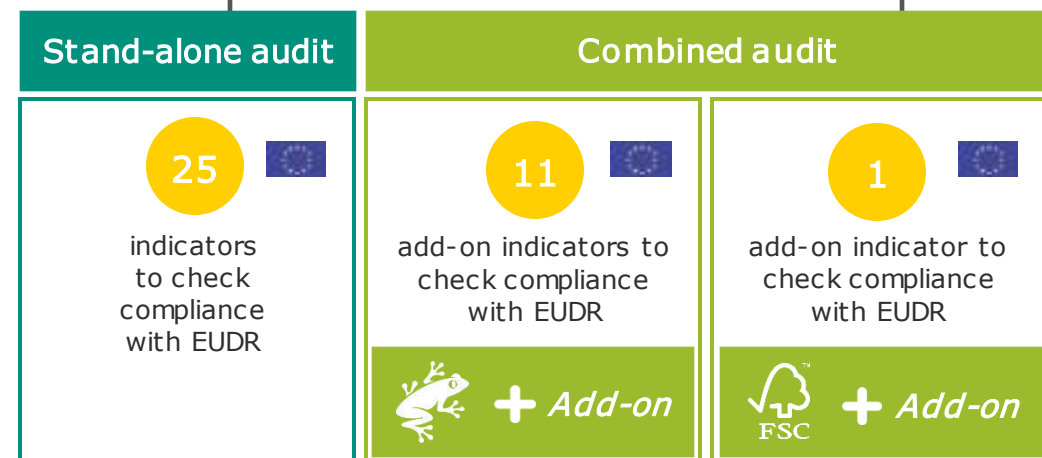


## EUDR-aligned indicators



Sub-set of EUDR-aligned requirements

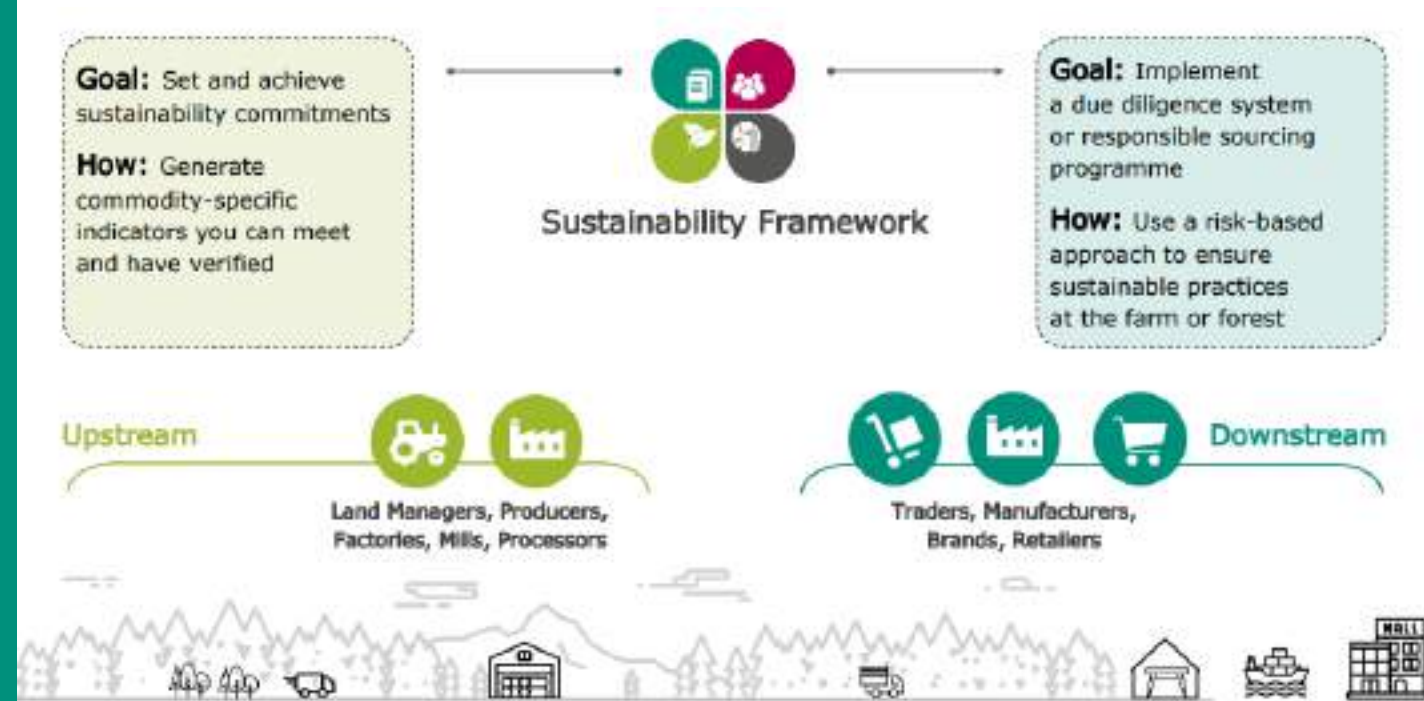
*Delivered through*



# Flexible adaptable all-in-one standard

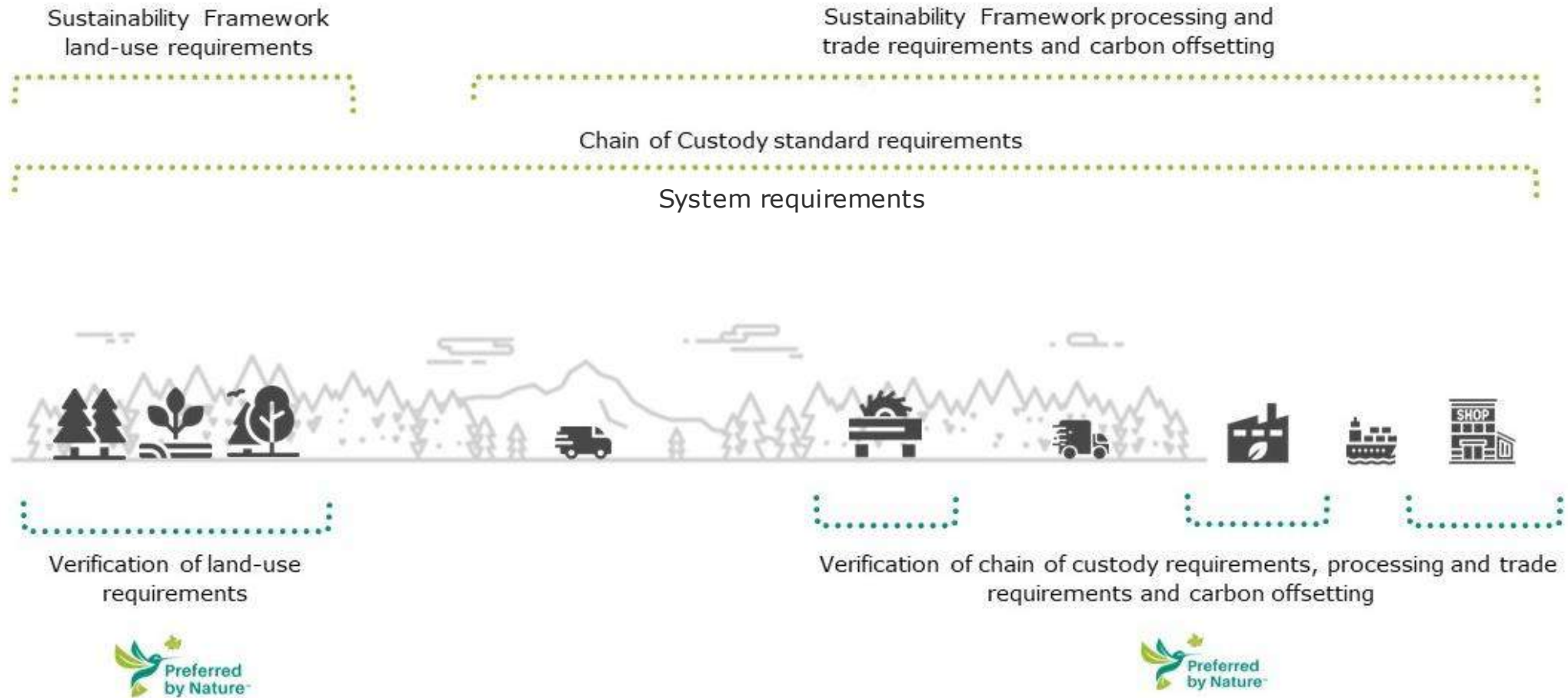


- It can be applied to any country/region
- It can be applied to forestry and agriculture sector
- It can be used in the field and can be used for due diligence
- It can be used with any commodity and by any scale of operations
- People, nature and climate combined
- 1st standard that blends sustainability carbon emission reduction & compensation efforts
- Fast adaptation to new regulatory requirements and emerging markets
- One solution for those confused by the multitude of sustainability standards and organisations with multiple sources



It can be used at **all levels**  
of the supply chain

# Using the standards: Product verification



# Certification of risk-based due diligence



Due diligence system verification

System requirements

Supply chain management through a risk-based approach



Requirements  
for due diligence and  
supply chain management

The entity  
responsible for  
DDS applies  
a risk-based  
approach to supply  
chain risks and  
compensates  
carbon emissions





EU objective to increase demand for the trade of legal and deforestation-free commodities and products **fully in line** with Preferred by Nature's mission and vision



Our priorities and **key commodities strategy** are aligned with the EUDR scope of commodities



Built on / transitioning from **10+ years of EUTR experience** (LegalSource Standard, EUTR monitoring organisation, due diligence, EUTR toolkit)



Preferred by Nature Sustainability Certification can be used to support your **risk assessments** required by the EUDR



Preferred by Nature is an **EUDR knowledge-leading organisation** – more than **30 conferences** and **webinars worldwide**



Verification **statement** issued for compliance with the Preferred by Nature Sustainability Certification EUDR-aligned indicators

# Add-ons | synergies with other certification schemes (1)



01

We identify and address missing areas for a comprehensive evaluation of your sustainability practices


02

Integrating missing aspects into your regular audits and maximising efficiency & cost savings

03

Benchmarked against FSC forest management, Rainforest Alliance farm management requirements

04

Utilise Preferred by Nature add-on farm-level indicators as an EUDR compliance checklist 

05

Meet add-on requirements and showcase your sustainability efforts with the Hummingbird Seal

# The Hummingbird Seal



**Consumer-facing branding:** consumers want to know where the products they purchase come from



Access to **storytelling marketing** and educational content



**Climate covered** - reflected in the Seal



Use the **Preferred by Nature Seal** to communicate sustainability and carbon compensation efforts



**Certified sustainability excellence**



*„The work done for us by Preferred by Nature and their Brazilian partner for this collaboration, Imaflora, is excellent. The report that was produced is very good, but when you look at the raw data backing that report up, it is really a goldmine. It is the Encyclopaedia of sugar cane sourcing in this part of Brazil. It is really impressive.“*



*„Preferred by Nature took the time to understand our questions and problem statement. Their Sustainability Framework is a great starting point to assess materials and the risks associated with including them in your supply chain.“*



*„Cooperating with Preferred by Nature has been incredibly valuable. I am very impressed by the local knowledge, which is essential when working in this area. Preferred by Nature has delivered a very thorough piece of work.“*



*„Preferred by Nature and Martin Guitar share the same vision: 'To pass on the Earth to coming generations in a good shape, we must urgently invent and adopt more sustainable ways of living, sourcing and trading.“*

# Climate



CLIMATE CONSCIOUS CHANGES

kgCO2e/YEAR

Drink only tap water		0
A weekend newspaper - recycled		94
Buy produce - local + seasonal		2
Take a shower		183
Dishwasher at 55°C		80
Take a train or bus		1'800
Wash at 30°C - dry on the line		62
Low energy bulb		90
Plant-based diet		1'391
From UK to South of France by train		72

**3,773 kgCO2e**

**3,8 tCO2e**



BUSINESS AS USUAL

kgCO2e/YEAR

234		Drink only bottled water
213		A weekend newspaper - to landfill
42		Buy produce - air-freight long-haul
949		Take a bath
103		Dishwasher at 65°C
8'520		Drive by car
250		Wash at 40°C - tumble dry
500		100 watt incandescent bulb
2'624		High meat diet >100g/day
2500		From UK to New York by plane

**15,935 kgCO2e**

**15,9 tCO2e**

SEE SAVINGS PER POPULATION OF NORTH AMERICAN AND THE EU - 1.1 BILLION PEOPLE



4,1 GtCO<sub>2</sub>e



17,5 GtCO<sub>2</sub>e

SAVINGS

1.1 BILLION PEOPLE/YEAR

13,4 GtCO<sub>2</sub>e

Enough to meet the 2030 emissions gap  
to stay within the 2C limit\*

1.1 BILLION PEOPLE