



## B Lab Statement on Multi Bioenergia's B Corp Certification

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for companies involved in agribusiness production in Brazil:

*Companies in the Brazilian agribusiness production industry operating in the Amazon, Cerrado & Atlantic forest biomes<sup>1</sup> are eligible for B Corp Certification as long as they meet the following requirements:*

1. **Deforestation:** *Company is compliant with the Brazilian Forest Code (CAR, APP, RL & PRA requirements) including but not limited to no illegal deforestation since July 2008, as stipulated in the Forest Code. Further, the company has a formalized no-conversion policy for natural ecosystems for their own operations and future plans mentioning a cut-off date of Jan 1, 2020<sup>2</sup> (or before).*
2. **Land conflicts:** *The company complies with all pertinent Brazilian legislation including not operating on lands designated as protected areas or indigenous areas. The company has adequate and formalized policies and processes to uphold the rights of historic land owners and avoid land disputes. This could include a formal commitment to respecting land rights of indigenous peoples and practices such as identification and assessment of protected areas, indigenous lands and other areas of natural and cultural significance in the company's vicinity, dialogue and engagement with communities, grievance mechanisms for community members as well as evidence of having resolved any disputes in the past.*
3. **Additional Requirements Specifically for Cattle Ranches:** *Companies have formalized policies and processes in place to at least pursue the mitigation of risks of deforestation/land conversion, land encroachment and conflicts, and forced labor for feed and livestock suppliers along with ongoing monitoring. This could include practices such as supplier screening based on location, documentation and G4 agreement criteria, supply chain mapping, supplier code*

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[https://data.globalforestwatch.org/datasets/54ec099791644be4b273d9d8a853d452\\_4?geometry=-173.406%2C-41.791%2C64.602%2C15.259](https://data.globalforestwatch.org/datasets/54ec099791644be4b273d9d8a853d452_4?geometry=-173.406%2C-41.791%2C64.602%2C15.259)

<sup>2</sup> To meet this requirement, a company cannot have converted land after January 1st 2020 and needs to have a formal no-conversion policy that states that no-conversion is permitted at least from January 1st 2020, even if the policy is instituted retroactively.

*of conduct, audits for verification, geospatial monitoring, etc. for at least significant direct suppliers that are producers and potentially for indirect suppliers.*

*Companies meeting the above requirements will be required to make transparent their practices on the above topics on their B Corp profile, as well as other relevant practices including their management of labor rights (which, while material to the industry, is covered through the standard certification requirements and thus not called out separately above). Companies will also undergo a background check to independently affirm that there are no flags regarding the above topics, including a review of any recent and significant land acquisition, deforestation and land conversion practices in the last few years.*

*Companies having certifications such as the RTRS, RFA, FSC, RSPO that cover their **entire** production will be meeting the above requirements. These requirements apply to agribusiness producers and exclude natural forest management companies, for whom a separate process may be required in the absence of FSC certification.*

*While the no conversion requirement is specified for specific biomes in Brazil, it will serve as a gateway for global application and deforestation fronts, where the largest concentrations of forest loss or severe degradation are projected.*

For more information on B Lab's position on the marketing of Agribusiness Producers in Brazil, please refer to B Lab's statement on the Agribusiness Producers in Brazil and B Corp Certification [here](#).

As a Certified B Corp that produces eucalyptus plantations for biofuel conversion in the Cerrado region of Brazil, Multi Bioenergia, is required to meet the above requirements related to Deforestation and Land Conflicts.

### **Multi Bioenergia and Agribusiness Production in Brazil**

Multi Bioenergia is a biofuel company that is headquartered in Guarulhos, São Paulo. The company generates thermal energy from cleaner burning wood chips. 90% of the thermal energy that is generated comes from burning recycled wood chips and 10% from their sustainably produced forests. They have 6,400 acres of land under ownership in the Botucatu and Sao Pedro regions of the State of Sao Paulo, of which 65% is under cultivation with renewable eucalyptus trees. The rest of the land is divided under 5% APP (Environmental Preservation Area ) and 16% RL (Legal Reserve). 100% of the company's eucalyptus production has Forest Stewardship Council (FSC) Chain of Custody Transfer System certification, which guarantees the origin of the forest raw material. This is verified by the company through the use of cadastral maps and reviewing the CAR for each farm from which they source.

Multi Bioenergia is currently in the process of attaining FSC Certification for Forest Management, with a plan to achieve it by the Q2, 2023, and has created a Forest Management Plan to meet the principles and criteria of the FSC Standard.

#### *Deforestation:*

The company's FSC Chain of Custody (CoC) Certification audit was carried out by the third party accredited Certification body [IMAFLOA](#). The FSC CoC Certification aligns with the guidance in the [Accountability Framework \(AFi\)](#) on the topics of no-deforestation and no-conversion. The company has a formalized No Conversion Policy policy that commits to ensuring Zero Deforestation of Conversion of High Conservation Value (HCV) lands in their supply chain. While the conversion does not contain a specific cut off date, the company confirms that they have not partaken in conversion of any land after the 1st of January, 2020, in line with their FSC Certification. In the same policy, the company also commits to compliance with The Forest Code and all Brazilian legislation. To ensure compliance, Multi Bioenergia has also carried out High Conservation Value (HCV) studies on all their land in accordance with the six definitions of HCV lands as defined by the FSC.

The company leases the land in which it operates and requires that the owner or possessor of the property provides their CAR (Rural Environmental Registry) to ensure verification and compliance with state and federal legislation. Multi Bioenergia currently preserves 35% of its land under operation through the use of APP and RL, which is above the 20% legally required in Sao Paulo. The company works in partnership with Sao Paulo State University (UNESP) to monitor the fauna in its RL and APP areas, with the objective of quantifying the species, evaluating their population, as well as the impacts that our business may have on this environment.

#### *Land conflicts:*

The company's No Conversion policy also states that the company shall observe the rights of protected and indigenous areas, in case the presence of any tribe or traditional population is identified. As per the company's FSC Chain of Custody Certification, the company also aligns with the AFi on topics related to respect for the rights of indigenous people, local communities, and workers.

The company collected data from local agencies such as FUNAI, IPHAN, ITESP, CONDEPHAAT and IBGE, to verify the existence of traditional communities in the region, such as indigenous and quilombolas, as well as areas of high value cultural partner recognized by the public institutions. They also conducted interviews with residents and local representatives about the area and the impact of the company's operations. The company assessed indirect impacts (traffic, local economy, and land use) and direct impacts (proximity of plantations and noise pollution). They have also conducted a Distribution of Traditional Communities Survey to identify the presence of traditional communities in the area of influence of the company's eucalyptus plantations. As a result, they have verified that there are no traditional communities

living in areas influenced by their forestry units. In addition, eucalyptus plantations are not located close to indigenous lands or land claimed by indigenous populations. The records are available in a Company Study on Traditional Communities and Archaeological Sites in Forest Management Areas by Multi Bioenergia Ltda.

To complement and comply with the guidelines related to the social scope of forestry activities, the company maintains communication channels with the external community. The main communication channels currently available for information and dialogue with stakeholders are through employees of Multi Bioenergia Ltda.; company website on the internet; email; telephone; notice to neighbors, and through interviews with residents around the areas of operation. Complaints and requests are recorded by the company and if necessary, new visits and new assessments of the impacts that may affect these new neighbors are scheduled. When the company receives any type of complaint, an occurrence record is opened with identification of the location, types of complaint and data of the complainant. This information is immediately forwarded to the responsible area for evaluation and due treatment. The forest manager is responsible for monitoring actions and providing feedback to stakeholders as per the company Management plan. The company confirms that at the time of publication, no complaints have been registered.