



B Lab Statement on Grupo Morena'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 agribusiness producers in Brazil:

Companies in the Brazilian agribusiness production industry operating in the Amazon, Cerrado & Atlantic forest biomes¹ 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, 2020² (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 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

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https://data.globalforestwatch.org/datasets/54ec099791644be4b273d9d8a853d452_4?geometry=-173.406%2C-41.791%2C64.602%2C15.259

² 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.



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.*

Grupo Morena is required to disclose a summary of its practices in the above mentioned areas as a part of its B Corp Certification. For more information on the review process, please refer to B Lab's position statement on Agribusiness Producers in Brazil and B Corp Certification [here](#).

Summary of company

[Grupo Morena](#) is an agricultural production company in the state of Mato Grosso, Brazil with farms located in the Cerrado region. The company operates around 13,564 hectares of land in total, of which they own 48%, purchased from 2002 onwards, and the rest is leased. While their main product is soy, they also cultivate cotton, corn, cattle and eucalyptus which is utilized for their own consumption. Their main customers for soy and corn are traders and meat companies and their products are licensed for export.

Grupo Morena's Policies and Practices

Grupo Morena complies with local and national legislation and abides by the Forest Code and has never received any fines for non compliance from IBAMA (*Brazilian Institute of Environmental and Renewable Resources*). They have a validated CAR license for all their ranches and annually renew other regulatory licenses such as the APF, ADA (IBAMA register), ITR (tax compliance) and the INCRA (land registration). Between 37% and 40% of the land that they own and 18% - 45% of the land that they lease is designated as protected (i.e. conserved in natural state).

Grupo Morena have a variety of sustainable certifications for the products they produce. All of their soy products are certified by RTRS (*Roundtable on Responsible Soy*) and the Cargill Triple S (*Sustainable Supply Solutions*), while their cattle are sold through the SISBOV (*Brazilian Service for the Traceability of the Bovine and Bubaline Production Chain*) certification which focuses on animal health and hygiene.³ Their other commodity products do not have sustainability certifications however, the company declared that they extend their RTRS certified practices pertaining to soy cultivation to their other crops too.

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<https://ccafs.cgiar.org/publications/certifying-sustainability-opportunities-and-challenges-cattle-supply-chain-brazil#.XzapWxNKjiB>



Their cattle operations are on pasture land, in semi-confinement, and in feedlots. They operate a Livestock Crop Integration System and are also engaged with EMBRAPA (Brazilian Agricultural Research Corporation) in an early stage study program called 'Carbon Neutral Meat', as part of a low carbon agricultural initiative. The Carbon Neutral Meat program seeks to balance the GHG emissions of cattle ranching with reforestation efforts and photosynthesis that takes place in pastures. The company aims to reduce the negative impacts of monoculture through increased water infiltration, resistance to soil erosion and reduced fertiliser use and also to reduce the threat of deforestation or land conversion through less land use.⁴

Deforestation

Grupo Morena has an environment protection policy which outlines the company's overall approach to environmental stewardship and specific sustainable practices followed.

Within this policy, the company has affirmed their overall commitment to no-conversion of native ecosystems. The company has confirmed that since 2005, no conversion of native ecosystems has been carried out on the lands under their control. Maintaining the same approach for future acquisitions and new leases - (1) the company has a formal commitment to not carry out any conversion of native ecosystems in future acquisitions and leases and (2) the company will have a no-conversion policy since the cut-off date of January 1st 2020 along with Forest Code compliance as criteria for the lands acquired and leased.

Land Conflicts

Grupo Morena's land is located about 60km away from a protected indigenous area and 10 kms away from a local river but not located in conservation units or on indigenous lands. The company complies with all pertinent Brazilian legislation including not operating on lands designated as protected areas or indigenous areas and is committed to doing so. The company has not had any land disputes with neighboring communities.

Further, the company has policies and processes to uphold the rights of historic land owners and avoid land disputes. The company's overall approach to potential conflict resolution is a combination of stakeholder involvement and engagement, through conversation circles and working groups in addition to seeking legal advice to guide the process. Further, the company is committed to making sure that any future lands that will be leased or acquired will not be located on indigenous lands or conservation units.

⁴ <https://www.embrapa.br/busca-de-solucoes-tecnologicas/-/produto-servico/1055/sistema-integracao-lavoura-pecuaria>



Supply Chain Practices of Cattle Ranching

The company only works with calf suppliers that are registered with the regulatory body for agricultural activities (INDEA) which requires legal compliance with prevailing labor and environmental laws.

Before establishing a commercial relationship with suppliers of cattle or other types of inputs, the company screens suppliers through the following criteria:

- [Registration status through Sintegra](#)
- Rural Environmental Registry (CAR) of the property, both [state](#) and [federal](#)
- [Provisional Operating Authorization \(APF\) from Sema](#)
- [Federal Technical Registry and IBAMA Certificate of Regularity](#)
- [IBAMA debt clearance certificate](#)
- [No embargo or environmental assessments by IBAMA](#)
- [No overlap with a Conservation Unit or Indigenous Land](#)
- Not appearing on the [Ministry of Labor and Employment's list of slave-like labor](#)
- [Not having labor violations](#)
- [Not having labor debts](#)

These verifications are carried out through the public consultation portals of each body through the links shared above. The company records the information collected through these portals in a supplier registration worksheet which is updated every 12 months old. Further, the company conducts visits to their calf suppliers' facilities through the year on an ongoing basis, to understand the conditions for buying cattles in these properties.

Management of Labor Rights

The company does not employ any temporary workers and follows labor legislation for their full time workers. They also carry out actions to enhance work life for their employees such as ergonomic analysis, health and safety consultancy, training and availability of courses, health and dental plans, food and gift cards and bonus programs. They have an employee labor policy, salary policy and a company Code of Conduct outlining the rules and regulations that must be adhered to as well as details of a grievance mechanism for the reporting of any corrupt practices (including grievances related to working conditions).