

B Lab Statement on Daterra Atividades Rurais 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:

- 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

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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.



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.

Daterra 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

Daterra is an agricultural company located in Minas Gerais, Brazil that grows and sells coffee. The company has the Rainforest Alliance certification for 100% of their land, and their Environmental Management System is ISO14001 certified, covering the production, processing and marketing of specialty "gourmet" coffees, at Fazenda Boa Vista, in the municipality of Patrocínio, state of Minas Gerais, Brazil. This certification audit was carried out by the Vanzolini Foundation.

In addition, Daterra holds the <u>IBD organic certification</u> exclusively for one of their farm's plots, corresponding to 21 hectares of land.

The company's land was the first to be Certified by the Rainforest Alliance in Brazil and was the first farm qualified as Climate Friendly by the Climate Module of the Sustainable Agriculture Network (SAN) in South America. The company won the Sustainable Farm Model by Illy Cafe in 2008 and was the winner of the 2015 Sustainable Farm Award from Globo Rural magazine.

The company owns and operates 6883,36 héctares of land in total within the Cerrado Biome (of which 475 héctares are also located in the Atlantic Forest). Of the total héctares owned and operated by the company, 3412,60 héctares are destined for agricultural use and 2458 héctares are destined for environmental preservation.

Daterra Atividades Rurais' Policies and Practices

Daterra confirms they comply with and commit to continue complying with all pertinent Brazilian legislation including not operating on land designated as protected areas or indigenous areas. Daterra has land registrations proving the right to the land and has



provided proof from the Rainforest Alliance to be meeting additional EUDR self selected requirements, in addition to the Rainforest Alliance alignment with the <u>EUDR policy</u>. The company also complies with <u>Law 10.831/2003 for organic agricultural production.</u>

The company has the ISO14001 environmental management certification and has an environmental management system that is in line with this standard. Daterra has an Environmental Policy that outlines their commitment to:

- Sustainable development;
- Protecting of the environment;
- Continuously improving environmental performance, seeking better technological alternatives;
- Pollution prevention;
- Comply with current legislation and other requirements;
- Promote sustainable coffee growing through responsible agricultural management in the use of natural resources and agrochemicals;
- Promote environmental education and awareness among its employees so that they can act in an environmentally responsible manner
- Maintain an open dialog with employees, communities, clients and suppliers and other stakeholders in relation to environmental issues.
- Conducting periodic critical analyses of their Environmental Management System, seeking to continuously improve it.

Daterra does not currently have a formalized No Conversion policy for natural ecosystems for their own operations or future operations with a cut off date of Jan 1, 2020 (or before). In addition, Daterra does not currently have adequate formalized policies and processes to uphold the rights of historic landowners and avoid land disputes. As a Certified B Corp, Daterra will be required to meet these requirements by their next recertification.

The company does not manage cattle ranches on their property in the Cerrado Biome nor in the Atlantic Forest.

B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through <u>B Lab's Public</u> Complaint Process. Grounds for complaint include:

- 1. Intentional misrepresentation of practices, policies, and/or claimed outcomes during the <u>certification process</u>, or
- 2. Breach of the core values articulated in our <u>Declaration of Interdependence</u> within the B Corp Community.