



## **B Lab Statement on Hortifrut'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 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 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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<sup>1</sup>

[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.



*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.*

Hortifrut 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**

Hortifrut is a global business platform, leader in the production and commercialization of berries. In Brazil, the company has productive fields of berries and a robust commercial platform that allows them to supply supermarkets, food service and e-commerce in Brazil. The company has 400,000 ha of cultivated land in the Cerrado and Mata Atlântica biomes.

### **Hortifrut's Policies and Practices**

Hortifrut complies with local and national legislation, abides by the Brazilian 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 and annually renew other regulatory licenses such as the APF, ADA (IBAMA register), ITR (tax compliance), and the INCRA (land registration).

In addition to complying with all local regulations, the company has received the GlobalGAP certification<sup>3</sup> that covers all its production management units and product handling units in Brazil.

### **Deforestation**

Hortifrut has a Commitment to Biodiversity, Compliance with Legislation, and Respect for Territorial Rights Policy which outlines the company's overall approach to environmental stewardship and specific sustainable practices followed.

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<sup>3</sup> Integrated Farm Assurance GLOBALG.A.P. General Regulations Version 5.4-1-GFS\_October 2021  
Fruits and Vegetables Control Points and Compliance Criteria Version 5.4-1-GFS\_October 2021



Within this policy, the company has affirmed its overall commitment to the non-conversion of native ecosystems. The company has confirmed that since January 2020, 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 has a no-conversion policy since the cut-off date of August 12th, 2008 along with Forest Code compliance as criteria for the lands acquired and leased.

### ***Land Conflicts***

Hortifrut's lands are not located in protected indigenous areas. 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 landowners and avoid land disputes. The company has never been involved in any land disputes, does not operate in conflict zones, and has no history of land disputes in indigenous areas. Their policy includes the following commitments regarding respecting the land and rights of indigenous and local communities: (i) implement clear internal policies and documented processes that ensure respect for the rights of historical landowners, informing and consulting stakeholders in advance, freely, and in an informed manner before undertaking any initiative that may affect their territories; (ii) establish transparent mechanisms for dialogue and mediation to prevent and resolve territorial conflicts, always seeking fair, equitable solutions agreed upon by the parties involved; (iii) apply ongoing due diligence processes to land acquisition, crop expansion and the establishment of new production units, in order to prevent any violation of rights and ensure the legitimacy of land ownership and use.

### ***B Lab's Public Complaints Process***

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

1. Intentional misrepresentation of practices, policies, and/or claimed outcomes during the [certification process](#), or
2. Breach of the core values articulated in our [Declaration of Interdependence](#) within the B Corp Community.