




LIFE GROUP CERTIFICATION RULES

LIFE-IN-MP20-1.0-English

Version 1.0 - International - English

(MAY/2018)

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OBJECTIVE

This document aims to establish rules for LIFE Certification in Group.

APPLICATION

This document applies to LIFE Certified Organizations, LIFE Certifying Bodies, and other stakeholders in LIFE Methodology.

APPROVAL

Document approved by LIFE Institute's Board of Directors.

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1. GROUP CERTIFICATION

Group Certification is an alternative for the certification of companies and producers (group of companies, franchises, agricultural cooperatives, etc.) through a unique certification process, enabling the division of costs, as well as the responsibilities about the certificate.

1.1 ADMINISTRATION OF THE CERTIFIED GROUP

An administrator (individual or legal entity) must be indicated as responsible for managing the entire certified group.


1.1.1 Prerequisites of the administrator

- Minimum structure that ensures the control of data from all certified members/units;
- Periodic activities of sampling audit in the group;
- Ability to centralize and manage all group information;
- Good interface, access, and relationship with group members.

1.1.2 Minimum information on the structure and functioning of the LIFE Certified Group

The constitution of the certified group should be formalized in a Statute (or similar). The Statute and other documents/records must contain at least:

- minimum requirements to join the group;
- need for periodic training (internal or external) of group members on the minimum requirements of LIFE Certification in the country;
- the responsibilities of members (e.g.: organization chart);
- responsibilities undertaken with regard to BAP (Biodiversity and Ecosystem Services Action Plan);
- minimum activities planned for the group, such as: meetings with members about LIFE certification, periodic participation in internal audits, submission of actions necessary to maintain the certificate, maintenance of activities bound to the minimum performance in biodiversity conservation, in line with those responsible for BAP;
- definition of the type of harmful situations to the maintenance of the certificate which may result in the departure of a group member, as well as the procedures to prevent this from happening.

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1.1.3 Biodiversity Conservation Actions carried out by the LIFE Certified Group

PAB - Biodiversity and Ecosystem Services Action Plan score ($BCA_{undertaken}$) for group certification must be allocated according to unit distribution. For cases of regional distribution, the actions must be carried out at least on 30% of the same Biome of the location of the units of the group, preferably in the priority ecoregion(s) for the conservation of that Biome.

For cases of units with national distribution, there is no specific rule for the location of conservation actions. However, the score will always consider the relevance/priority of the location for biodiversity conservation.

1.1.4 Differential for calculating the BII (Biodiversity Impact Index) of the LIFE Certified Group

➤ Primary Sector Groups:


Units (rural properties) that form a group from the primary sector are considered heterogeneous. Thus, environmental data (emission of greenhouse gases; water consumption; use of energy; waste generation; footprint) must be individually informed, by property/farm, considering the guidelines for obtaining data contained on the document LIFE-TG01.

➤ Groups from the secondary and tertiary sectors:

When, during the audit, it is ascertained and confirmed that group units have similar characteristics, the group must be considered homogeneous and, therefore, environmental data (emission of greenhouse gases; water consumption; use of energy; waste generation; footprint) can be informed as a mean obtained from a clear rationale, established by the certified group.

The environmental data has to be informed considering the guidelines for obtaining data contained on the document LIFE-TG01 from each country. In order for the calculation tool, made available by the LIFE Institute, to calculate impact severity, it is necessary that each group of units considers the ecoregion and the hydrographic region. This information can be checked through the links provided in the tool. It is necessary to enter the data from each group into the tool, as well as the quantity of units in each one of them. Thus, depending on the size of the group, it will be necessary to tabulate this data prior to entering data into the LIFE tool. According to the characteristics of each group, their units must be classified into smaller groups (sub-groups), in order to better represent their differences.

Example:

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| Group | Location | | UNITS | | | Annual Mean Data per unit | | | | |
|-------|---------------------|-----------|----------------------|-----------------|----------------|------------------------------|-------------------|------------------------------|----------------|-----------|
| | Hydrographic Region | Ecoregion | Sub-group (optional) | Number of units | Revenue* (USD) | Water (m ³ /year) | Energy (toe/year) | GHG (tCO ₂ /year) | Waste (t/year) | Area (ha) |
| 1 | | | | | | | | | | |
| 2 | | | | | | | | | | |
| ⋮ | ⋮ | ⋮ | ⋮ | ⋮ | ⋮ | ⋮ | ⋮ | ⋮ | ⋮ | ⋮ |

* Average Annual Revenue per unit.

Individually, the values observed in each unit of the group during the audits must be at a maximum interval of 15% of the mean distance for each environmental aspect or revenue informed for the group. If any unit value falls outside this range during a sampling and evaluation audit, a Prerequisite (PR) or an Improvement Action (AM) will be established in order for the mean data and/or the manner of grouping units to be reviewed.

The Gross Revenue (FB) can be informed as a mean value of the group. However, members can make use of the unitary Gross Revenue individual information to specify apportionment quotas of BAP investment, to be provided for in the Statute.

1.1.5 Sampling Audit for group certification

The sampling will be smaller the higher the group's control and standardization, to be assessed by the auditor.

Sampling rules differ between homogeneous and heterogeneous groups.

Groups of franchises will always be considered homogeneous groups.


For both homogeneous groups and heterogeneous groups, the sampling must be partially selective - based on the factors established below - and, partially random (non-selective).

At least 25% of the sampling must be random or non-selective.

Criteria for selective sampling:

The criteria for selecting groups and units, both for homogeneous groups and heterogeneous groups, are:

- Results of internal audits of groups and critical analyses or prior certification;
- Records of complaints and other relevant aspects of corrective and preventive action;

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- Significant variations in group sizes;
- Variations in trend changes and working procedures;
- Complexity of the management system and processes carried out in the groups;
- Changes since the last certification audit;
- Maturity of the management system and knowledge of the organization;
- Environmental issues and the extension of the aspects and associated impacts for environmental management systems (EMS);
- Differences of culture, language, and regulatory requirements; and
- Geographical dispersion (Hydrographic Region and Ecoregion);
- Other factors, so that the differences between groups or units are as large as possible.


1.1.5.1 Sample size

1.1.5.1.1 Heterogeneous groups

To determine the number of units to be audited, for heterogeneous groups, the following equations apply¹:

- **Initial Audit:** the size of the sample will be the square root of the number of groups: $(y=\sqrt{x})$, rounded up to the next higher integer.
- **Supervision audit:** the size of the annual sample will be the square root of the number of groups multiplied by the coefficient 0.6 $(y=0.6 \sqrt{x})$, rounded up to the next higher integer.
- **Recertification audit:** the size of the sample will be the same as that of an initial audit. Nevertheless, when the management system proves to be effective within a period of three years,

¹ According to NIT-DICOR-05.

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the sample size can be reduced by a factor of 0.8, i.e.: ($y=0.8 \sqrt{x}$), rounded up to the next higher integer.

Notes:

- The Administrator of the group is the focal point of the group’s audits.
- This sampling is minimum, considering the existence of a uniformity in the characteristics of the groups and sites to be audited. The sampling may undergo changes involving more units after analyzing the characteristics and the location of the sites to be audited.
- In the case of heterogeneous groups, remote evaluation is not permitted. All units sampled must be audited in person.

Examples of samples for heterogeneous groups:

| Group Units | Minimum sample | | |
|-------------|---------------------|-------------------|-----------------------|
| | Certification Audit | Supervision Audit | Recertification Audit |
| 10 | 3 | 2 | 3 |
| 20 | 4 | 3 | 4 |
| 30 | 5 | 3 | 4 |
| 50 | 7 | 4 | 6 |
| 100 | 10 | 6 | 8 |
| 500 | 22 | 13 | 18 |
| 1,000 | 32 | 19 | 25 |

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1.1.5.1.2 Homogeneous groups

For the sampling of homogeneous groups, the following equation is applied, rounded up to the next higher integer:

$$Y=0.5\sqrt{n}$$

Wherein:

y: number of samples;

n: total number of units of the group

At least 70% of the units of homogeneous groups will be evaluated in person, wherein the remaining can be evaluated remotely. Upon justification, the percentage of remote evaluation may be higher.

Examples of samples for homogeneous groups:

| Group Units | Minimum sample | | |
|-------------|---------------------|-------------------|-----------------------|
| | Certification Audit | Supervision Audit | Recertification Audit |
| 10 | 2 | 2 | 2 |
| 20 | 2 | 2 | 2 |
| 30 | 3 | 3 | 3 |
| 50 | 4 | 4 | 4 |
| 100 | 5 | 5 | 5 |
| 500 | 11 | 11 | 11 |
| 1,000 | 16 | 16 | 16 |