

# ProTerra Monitoring and Verification Standard

Deforestation, Land Use Change and Human Rights



**MRV**STANDARD



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# ProTerra Foundation Monitoring and Verification Standard<sup>1</sup>

**Deforestation, Land Use Change and Human Rights** 

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<sup>1</sup>Based on the Accountability Framework Initiative, version 10.2020 and the European Feed Manufacturers' Federation (FEFAC), Soy Sourcing Guidelines 2023.

## **The ProTerra Foundation Mission and Vision Statement**

The ProTerra Foundation's mission is to be a global network of businesses supporting more sustainable agricultural practices, in the food and feed supply chains, where relevant the conversion to non-GMOs and full respect of workers and communities' dignity.

We envisage a world where all businesses contribute to the protection of biodiversity by switching to sustainable production, conserving natural resources and ensuring that local communities are treated with dignity and respect.

Business enterprises that support the ProTerra Foundation mission and vision and wish to use the ProTerra MRV Standard shall sign a membership declaration to commit to:

- Support the credibility of the ProTerra Standards and their adaptability to the reality they operate in.
- Raising awareness about impact on biodiversity and climate change.
- Empowering farms and businesses throughout the food supply chain, to become vectors of environmentally and socially responsible business practices.

## 1.0 The ProTerra Monitoring and Verification (MRV) Standard

The ProTerra MRV Standard provides a systematic approach to assessing and verifying an organisation's due diligence practices and supports reporting on supply chain due diligence and deforestation-free aspects. It is based on the verification of a company's management system compliance with sustainability requirements associated with its supply chain through independent third-party audits.

The economic operators that have been verified under this Standard are committed to establishing an economically and environmentally sustainable, and socially responsible supply chain. The commitment involves:

- Promote a raw material supply chain that is free from illegal and/or legal deforestation, and land-use change or conversion.
- Respect the rights of workers, indigenous peoples, and local communities.
- Ensure that sourcing is fully compliant with national and local environmental laws and regulations, as well as applicable international laws.
- Take affirmative actions to mitigate identified potential risks associated with commodities and related products or demonstrate that the risk is negligible.
- Assess risks by identifying the factual circumstances of their activities and business relationships and evaluate these facts against the environmental impacts, social impacts, and applicable national and international laws and standards.

## 2.0 Scope



The ProTerra MRV Standard is applicable to all economic operators who are engaged in the purchase, commercialisation, or storage of agricultural commodities or their products. Any agricultural commodity and related products can be included in the scope of a specific verification of the ProTerra MRV Standard.

The ProTerra MRV Standard defines a verification of the economic operator's management system associated with the supply chain of agricultural commodities and related products. The objective is to verify whether the economic operator adequately manages its supply chain to ensure that it is sustainable and free from deforestation. The ProTerra MRV Standard, therefore, assesses the economic operator's purchasing practices, contracts and suppliers' performance in terms of sustainability, among other issues.

## 3.0 Management system requirements for economic operators

These requirements directly apply to organisations seeking verification under the ProTerra MRV Standard. Full compliance with all management system requirements is necessary for the issuance of a positive verification statement.

### Requirements

**3.1** The economic operator shall implement and continuously improve a management system associated with its purchase of agricultural commodities or related products, defining and documenting the scope of its supply chain management system.

**3.2** Top management must set a deforestation and a supply chain policy and ensure that, within the defined scope of the supply management system, the policy **(a)** is appropriate to the nature, scale, environmental and social risks, including deforestation of the agricultural commodities, and related products purchased by the economic operator **(b)** is communicated to all who work in or act on behalf of the economic operator, and **(c)** is available to the public.

**3.3** The economic operator shall implement procedure(s) to:

- a)** Map the supply chain – including identifying the geographical source of the agricultural commodities or related products in the economic operator’s supply chains and the key actors involved in sourcing and transforming of the agricultural commodities or related products, including suppliers, traders and business partners as applicable. This map should be updated periodically according to the dynamic of each economic operator’s supply chain.
- b)** Assess the risks of deforestation associated with the agricultural commodities or related products, services, suppliers as applica-

ble, and geographical sourcing areas. The extent and type of forest cover in the sourcing area, deforestation trends, the direct and indirect drivers of deforestation, the levels of traceability or chain of custody information available, and the complexity of the supply chain must be considered when assessing this risk. Economic operators in Europe or exporting to Europe must duly implement the risk criterion under the EU Regulation on deforestation-free commodities (EUDR article 10).

- c)** When assessing deforestation, economic operators shall use procedures that include accessing satellite imagery with adequate resolution. In those areas where context-specific data is available, they should be used (e.g. PRODES Amazon, PRODES Cerrado).
- d)** Assess the risks of human rights breaches associated with the products, goods, services, suppliers as applicable, and geographic sourcing areas. Human rights trends, the direct and indirect drivers of human rights breaches and the complexity of the supply chain must be considered when assessing this risk. Economic operators in Europe or exporting to Europe must duly implement the risk criterion under the EU Regulation on deforestation-free commodities (EUDR article 10).
- e)** Identify the risks of deforestation and of human rights breaches that the economic operator can control and those that it can influence, taking into consideration new or planned developments, new activities, products and services.
- f)** Determine those risks that have or may have a significant impact on the environment, and on social aspects including the livelihoods of local communities (herein referred to as relevant risks).
- g)** Minimise and/or mitigate the negative impacts of the relevant risks the economic operator can control. Related measures, plans and programmes must be documented, and objective evidence of minimisation and/or mitigation initiatives and results shall be provided.

- h)** Define and adopt a risk management plan to strive to minimise and/or mitigate the negative impacts of the relevant risks the economic operator can influence. The risk management plan must include timelines, resources, responsibilities, monitoring and reporting mechanisms and measures to support suppliers, in particular smallholder farmers.
- i)** Implement risk prevention measures, including, as applicable, commissioning independent surveys of sourcing areas and business partners, reinforcing traceability and chain of custody systems, working with local communities and other stakeholders and engaging closely with business partners.
- j)** Promote forest-positive outcomes, including as applicable: protecting and restoring forest ecosystems; working with farmers, cooperatives and local communities; supporting landscape and jurisdictional initiatives to help address the root causes of deforestation; and promoting and supporting international deforestation-free and capacity building initiatives. For restoration guidelines consider the *ProTerra Procedure for Restoration and Compensation of Deforestation*.

**3.4** The economic operator shall implement procedure(s) to identify and have access to applicable legal requirements and other requirements subscribed by the economic operator and ensure that relevant regulations and legal requirements are duly met throughout the economic operator's operations. Regulations on the rights of indigenous people and local communities, including customary tenure rights and the right to free, prior and informed consent (FPIC) must be included. The legal requirements of agricultural raw material production and sourcing of the countries into which the economic operator exports raw materials and/or related products must also be complied with.

**3.5** Management shall ensure the availability of resources essential to establish, implement, maintain and improve the supply chain management system. These resources include human resources and speciali-



sed skills, training programmes, organisational infrastructure, technology and financial resources, as appropriate. Roles, responsibilities, and authorities should be defined, documented and communicated in order to facilitate effective supply chain management.

**3.6** The economic operator shall regularly monitor and measure the key outcomes of its supply chain management system considering in particular the actions listed under indicator 3.3. Results shall be published on a regular basis.

**3.7** The economic operator shall implement procedure(s) to address non-conformities in its supply chain management system and that of its suppliers in relation to their compliance with the requirements of item 4.0 of this Standard. The procedure(s) shall define requirements to **a)** identify and correct non-conformity(ies) and take actions to mitigate their negative impacts, **b)** investigate non-conformity(ies), determine its cause(s) and take actions to prevent its recurrence. The actions taken must be proportionate to the magnitude of the problems and the negative impact(s) caused.

**3.8** The economic operator shall establish and maintain records as necessary to demonstrate compliance with the requirements of its supply chain management system and with this Standard. Records must be and remain legible and traceable. Records shall be kept for at least 5 years.

**3.9** The economic operator shall establish and maintain an operational grievance mechanism, in consultation and collaboration with relevant stakeholders, including both early warning systems for the risks of deforestation, human rights issues and complaints systems.

**3.10** The economic operator must develop, implement and maintain a traceability and chain of custody system that:

- a)** Enables tracking agricultural inputs back to the farm having sufficient documentation and records to demonstrate traceability and the veracity of its chain of custody information. All records related to the Chain of Custody System shall be kept for 5 years or longer

if required by local regulations.

- b)** Ensures that lot numbers of each received or shipped raw material or product exist, as well as processing lots and final product lots, linked to traceability. Lot numbers shall be present in the Chain of Custody System.
- c)** Ensures no double counting of ProTerra MRV Standard verified agricultural commodities is occurring.
- d)** For all suppliers for which the economic operator does not have traceability information, the economic operator shall define an action plan to work with these suppliers to bring them to a traceable level in the medium term.
- e)** Economic operators in Europe or exporting to Europe must duly keep records of all information requirements under the EU Regulation on deforestation-free commodities (EUDR – article 9) relating to incoming and outgoing agricultural commodities and/or related products.

**3.11** The economic operator shall have, and shall consistently employ, standard operating procedures to maintain full segregation for each lot of verified product from other materials from the point of receipt to the point of transfer to the next level in the supply chain.

Precautions, including maintenance and physical labelling of facilities and conveyances, must be in place to prevent the co-mingling of ProTerra MRV Standard verified material with other materials during transport loading and unloading activities.

**3.12** Lots of non-compliant commodities and/or related products of ProTerra MRV verified companies must be clearly identified as such and this information should be passed on to potential buyers down the supply chain.

## 4.0 Sustainability requirements for suppliers

These requirements apply to the suppliers of the economic operators that are seeking verification under the ProTerra MRV Standard. Compliance with such requirements serves as evidence that the management system of the economic operator is working correctly and that there is no systemic non-compliance on the supplier side that is going undetected by the buyer's management system. Lots of commodities and/or related products of a non-compliant supplier must be clearly identified as such and this information should be passed on to the next step of the supply chain in which the economic operator participates (please refer to the management system requirement 3.12).

Non-compliance found at the supplier is expected to be addressed by actions of the management system of the purchasing economic operator. Typically, economic operators are expected to block non-compliant suppliers and subsequently support these suppliers to become compliant. For supplier assessments, a sampling approach is considered (refer to Annex A for details).

### Requirements

#### 4.1 Working Conditions

**4.1.1** No forced, compulsory, bonded, trafficked or otherwise involuntary labour shall be used. Children under the age of 15 (or any higher age set by national law) shall not work. Young workers (15-18 years) shall not undertake hazardous work that endangers their health and welfare, including by interfering with their education.

**4.1.2** There shall be no engagement in, support for, or tolerance of any form of discrimination.

**4.1.3** Workers shall not be subjected to corporal punishment, mental or physical oppression or coercion, verbal or physical abuse, moral or sexual harassment or any form of intimidation.

**4.1.4** Workers shall not be required to lodge their identity papers with anyone unless required by law.

**4.1.5** The working week shall be set in accordance with local and national laws and be consistent with local industry standards. It shall not routinely exceed 48 hours per week (excluding overtime).

**4.1.6** Overtime is always voluntary and should be paid in accordance with local regulations or sector agreements, including with the trade union.

**4.1.7** Overtime more than 12 hours per week shall be permitted only if in exceptional and limited periods where there are time constraints or risks of economic loss and where conditions regarding overtime more than 12 hours per week have been previously agreed between workers and management or are in line with local regulations.

**4.1.8** All workers receive equal remuneration for work of equal value, equal access to training and benefits, and equal opportunities for promotion and for filling all available positions.

**4.1.9** Policies and procedures are implemented and maintained to address workers' grievances.

**4.1.10** A safe and healthy workplace is provided for all workers, this includes at least free access to safe drinking water, basic sanitary facilities, rest areas and protective equipment free of any cost.

**4.1.11** Potentially hazardous tasks are carried out only by capable, competent people, who have received training on performing hazardous tasks safely.

**4.1.12** Adequate and appropriate protective equipment and clothing shall be provided and used for all potentially hazardous activities. As necessary, these shall be substituted by management at no cost to workers.

**4.1.13** First aid is provided without delay and first aid kits are available at the work site when legally permitted.

**4.1.14** Suppliers are aware of and understand the health and safety issues related to their work. Relevant health and safety risks are identified, procedures are developed to address and minimise these risks and their implementation is monitored. Employees shall be trained in the existing procedures.

**4.1.15** Accident and emergency procedures are in place and instructions are clearly understood by all workers. Employees shall be trained in the existing procedures.

**4.1.16** There is a system of warnings followed by legally permitted sanctions for workers who do not apply safety requirements and do not use personal protective equipment.

**4.1.17** There is regular maintenance of machinery, equipment and work materials/devices in order to ensure their safe and efficient operation.

**4.1.18** Suppliers provide training on health and safety to their workers. Farmers should additionally train workers on good agricultural practices and sustainable agricultural production.

**4.1.19** All workers have the right to form and/or join trade unions or other collective bargaining organisations of their choice.

**4.1.20** All workers have the right to perform collective bargaining.

**4.1.21** The effective functioning of workers' associations (or other forms of workers' organisations) is not impeded. Workers' representatives shall not be subject to discrimination and have access to their members in the workplace upon request.

**4.1.22** Gross wages comply with national legislation and/or sector agreements.

**4.1.23** All workers have a written contract in a language they can un-

derstand. In those countries where there are no requirements for formal labour agreements between workers and employers, alternative documented evidence of a labour relationship must exist.

**4.1.24** Working hours and overtime shall be monitored.

**4.1.25** Wage deductions for disciplinary purposes shall not be made unless permitted by law. Wages are paid at least monthly and are recorded by the employer.

#### ***4.2 Environmental responsibility (only applicable to farm level)***

**4.2.1** Farms shall comply with the legislation relevant to the expansion of agricultural production. No crop shall be produced in converted natural ecosystems (natural forests, native grasslands, wetlands, swamps, peatlands, savannahs, steep slopes and riparian areas) nor in areas subjected to deforestation after 31 December 2020 or earlier if required by local regulations.

**4.2.2** Areas that are assigned as legal reserves, conservation areas or otherwise secured by law have to be protected. Otherwise, these areas must be restored or compensated for based on legally approved actions.

**4.2.3** Areas of natural vegetation around water bodies (riparian vegetation and flood plains) and in areas sensitive to erosion (steep slopes and hills) must be maintained or restored. Wetlands must be protected.

**4.2.4** Farmers protect rare, threatened or endangered wildlife and plant species on their properties.

**4.2.5** Handling, storage and disposal of waste, including fuel, batteries, tyres, lubricants and sewage are adequate and in accordance with national legislation.

**4.2.6** There is no burning of crop residues, waste, or as part of vegetation clearance unless this last it is needed for drying crops or obliged by national legislation as a sanitary measure.

**4.2.7** Measures are taken to reduce, reuse or recycle waste as much as possible.

**4.2.8** There is no run-off of wastewater, oil and oil spills, chemical residues, minerals and organic substances.

**4.2.9** The use of fossil fuels is monitored, and measures are taken to reduce its consumption among other initiatives by implementing precision agriculture techniques, controlling, and optimising transport, using biofuels or using lighter machinery/vehicles.

### ***4.3 Good agricultural practices (only applicable to farm level)***

**4.3.1** Good agricultural practices, such as maintaining a buffer zone around water bodies, treating wastewater, and precision farming among others, shall be implemented to minimise diffuse and localised impacts on surface and groundwater quality associated with chemical residues, waste, oil, fertilisers and agrochemicals in general, and to prevent erosion.

**4.3.2** Any direct evidence of contamination of the soil, ground or surface water shall be reported to, and monitored in collaboration with local authorities.

**4.3.3** Where irrigation is used, the relevant legislation shall be complied with.

**4.3.4** Farmers shall ensure that their agricultural and supporting practices (e.g. water extraction, waste and chemical storage) do not affect sensitive ecosystems, wetlands or swamps in the vicinity of their operation.

**4.3.5** Water use on the farm shall be monitored. Measures must be taken to reduce water use and maintain its quality wherever possible.

**4.3.6** Farmers have the knowledge and implement techniques (for example: precision farming, residue management, crop rotation, no-tillage, contour tillage, grass waterways, terraces, nitrogen-fixing plants,

green manures and agro-forestry techniques), to maintain and control soil quality (physical, chemical and biological).

**4.3.7** Farmers have the knowledge and implement techniques (for example: following contours with operations for soil preparation, using terraces or cover crops, minimising tillage and placing windbreaks) to prevent soil erosion.

**4.3.8** There is monitoring, appropriate to the scale of the operation, to demonstrate that the practices are in place to protect soil quality and prevent soil erosion.

**4.3.9** No agrochemicals listed in the Stockholm and Rotterdam Conventions shall be used on agricultural commodities.

**4.3.10** Any use of biological control agents in agricultural commodities shall comply with national legislation.

**4.3.11** The application of agrochemicals (crop protection and fertilisers) on agricultural commodities, shall be documented. All handling, storage, collection and disposal of agrochemical waste and empty agrochemical containers, shall be monitored. The use, storage and waste disposal of agrochemicals is in line with professional recommendations and applicable legislation.

**4.3.12** Agrochemicals (crop protection and fertilisers) shall not be applied within at least 30 meters of any populated area or water body and all necessary precautions shall be taken to prevent people from entering recently sprayed areas.

**4.3.13** Agrochemicals (crop protection and fertilisers), shall be applied using methods that minimise harm to human health, wildlife, plant biodiversity, soil, water and air quality.

**4.3.14** Aerial application of pesticides shall be carried out in such a way that it does not have an impact on populated areas, sensitive ecosystems and water bodies.



**4.3.15** All aerial applications shall be preceded by advance notification to residents within 500 meters (or more if required by national legislation) of the planned application.

**4.3.16** No aerial application of WHO Class Ia, Ib and II pesticides shall be made within 500 meters (or more if required by national legislation) of populated areas, sensitive ecosystems, or water bodies.

**4.3.17** Phytosanitary products shall be used according to legal requirements and professional recommendations. Measures shall be taken to prevent pest resistance.

**4.3.18** Appropriate measures shall be implemented to allow for the coexistence of different production systems (e.g., GMO and non-GMO crops).

**4.3.19** Integrated Crop Management technologies shall be used. This includes adequate and continuous monitoring of crop health, the use of non-chemical and chemical control methods, and measures to improve crop resilience.

**4.3.20** Plots of land on which agricultural commodities are produced should be identified by their geographical coordinates.

#### ***4.4 Legal Land Use (only applicable to farm level)***

**4.4.1** There is documented evidence of rights to use the land (e.g. ownership document, rental agreement, court order etc.).

**4.4.2** Prior to any new activity (acquiring or developing land) that may affect indigenous people and local communities' rights, land, resources, livelihoods, and food security, their free, prior and informed consent (FPIC) must be secured.

**4.4.3** There shall be no conversion of land where there is an unresolved land use claim by traditional land users without the agreement of both parties.

**4.4.4** In the case of disputed land use rights, a comprehensive, participatory and documented community right assessment shall be carried out and the recommendations from the assessment should be followed.

## **4.5 Community Relations**

**4.5.1** Complaints and grievances from workers, neighbours, local communities and traditional land users shall be dealt with in an appropriate manner. Documented evidence of complaints and grievances received and their outcomes shall be maintained.

**4.5.2** The complaint mechanism (e.g., written complaint form, email, phone or written post) is transparent, has been made known and is available to all workers, local communities and traditional land users.

**4.5.3** Communication channels shall be in place to allow adequate communication between the supplier and the community. Communication channels have been made known to the local communities. Information such as email, cell phone, and mailbox to send communication must be readily and easily accessible.

## **4.6 Compliance with regulations**

**4.6.1** Suppliers shall consistently demonstrate compliance with all applicable national and local laws, regulations, and applicable international conventions, having awareness of his/her responsibilities according to applicable law. This includes holding all the necessary valid permits, authorisations and associated documentation with its operations.

**4.6.2** Suppliers shall respect international laws and legally enforced standards on the rights of indigenous people and the tenure rights of local communities.

## Disclaimer

More information can be found at [www.proterrafoundation.org](http://www.proterrafoundation.org).

For any questions with regard to the ProTerra Monitoring and Verification Standard please contact [info@proterrafoundation.org](mailto:info@proterrafoundation.org).

ProTerra Monitoring and Verification Standard shall be reviewed at least every five years taking comments from stakeholders into account.

This document was approved by the ProTerra Board of Directors on 14/09/2023.

The official language of this Standard is English. In the case of inconsistency between translated versions, the official language version shall prevail.

ProTerra MRV Standard Version 1.0 has been developed taking into account the comments of stakeholders. A public consultation was held from 02/03/2023 to 02/06/2023.

We express our sincere gratitude to the stakeholders who participated in the public consultation and provided feedback.

*The ProTerra MRV is a voluntary standard and it does not assume responsibility or liability for legal compliance.*

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## ANNEX A – Sampling of suppliers

### ***Sustainability monitoring of suppliers with known traceability***

The assessment of suppliers against the requirements of Sustainability Monitoring (item 4.0 of the ProTerra MRV Standard), includes a site visit, document review and interviews. Remote audits are possible for suppliers that have been classified as having a low risk of deforestation and of human rights breaches.

Suppliers that have been classified as having no risk of deforestation and human rights breaches may not be assessed. However, in no-risk areas the economic operator should provide accurate proof of such fact. In the case that no-conversion is taking place this must include region specific satellite imagery or other publicly available sources that clearly state that conversion of natural lands is not an issue.

The following sampling approach will be used to sample suppliers under the Sustainability Monitoring.

***Table 1 Minimum sample size of suppliers to be verified for sustainability requirements***

<b>Number of suppliers*</b>	<b>Sample size**</b>
Less than 50	20% of the total number of suppliers
>50	Square root of the total number of suppliers

*\* Supplying farms should be grouped by geographical location and/or risk for the calculation of the sample size. All geographical regions should be included and therefore the sample should be increased if necessary. The final sample size is to be rounded upwards.*

*\*\*All suppliers directly connected to agricultural commodity production and/or related products. The final sample size is to be rounded upwards.*

For very high-risk and high-risk regions the values indicated in Table 1 shall be used; for medium-risk regions reduce 15% of the suppliers that should be accessed (rounding upwards), and for low-risk regions reduce 30% of the suppliers that should be accessed (rounding upwards).

In addition, the contracts of the entire supplier list are checked for sustainability obligations and compared with public lists or official information:

- environmental embargoes or crimes;
- slave and child labour;
- conflicts with indigenous or traditional communities; and
- deforestation. When assessing deforestation, auditors shall use satellite imagery of adequate resolution. In those areas where context-specific data is available, it should be used (e.g. PRODES Amazon, PRODES Cerrado).

### **Sustainability monitoring of suppliers with no traceability information**

At a minimum, organisations shall know the location of the sourcing area and assess, based on publicly available information, the risk of deforestation and human rights abuses in these regions associated with the purchased commodity or product. Based on the risk characteristics, the organisation shall develop a plan that prioritises the very high and high risk areas to bring these suppliers to a traceable level (see 3.10 d). The assessment to be made refers to the review of sourcing regions ba-

sed on public lists or official information on the occurrence of:

- environmental embargoes or crimes;
- slave and child labour;
- conflicts with indigenous or traditional communities;
- deforestation. When assessing deforestation, auditors shall use satellite imagery of adequate resolution. In those areas where context-specific data is available, it should be used (e.g. PRODES Amazon, PRODES Cerrado), and
- to the extent possible, the requirements under item 4.0 of the ProTerra MRV Standard.

### **Sampling strategy within the management system**

To ensure that the operations within the economic operator's purchasing system are in accordance with the management system-related procedures, objective evidence must be obtained from a number of cases. To carry this out, the auditor will follow the steps below (other audit checks are not excluded and should be used as applicable):

- Determine the number of suppliers, the number of purchase contracts, and the corresponding volume sourced.
- Determine the number of intermediary suppliers such as dealers and traders, purchase contracts, the volume sourced, and the percentage of the total quantity traded or processed coming from suppliers with unknown traceability information.
- Determine sourcing regions and biomes, and the proportion of sourcing from the number of suppliers and volumes.

- Evaluate the risk assessment carried out for each geographical region to confirm it is in line with the requirements of this standard and if the risk criteria used by the organisation are realistic and updated.
- As applicable, define the size of the sampling for the different suppliers (sampling of the purchase process-related documentation and application of the management system requirements).

## ANNEX B – Verification Protocol

### 1. Auditing Procedures on Monitoring Systems

#### 1.1 Verification Body Qualification

For the issuance of Verification Statements, audits must have been executed by third parties that are accredited based on ISO 17021 or ISO 17065. Additionally, the third parties must be accredited by a national accreditation party affiliated with the International Accreditation Forum (IAF) or in compliance with ISO 17011 and confirmed by the ProTerra Foundation as a cooperating entity.

Auditors participating in verifications of the ProTerra MRV Standard are expected to have a post-high school education degree in the following areas, but not limited to: environment, agriculture, or food-related disciplines. Auditors must have agricultural, environmental, and social audit experience and expertise, be familiar with management systems, understand supply chain operations and management, traceability, geo-spatial analysis tools, land use change concepts, GHG, public list of slave labour, embargoes, protected areas and relevant sustainability topics.

#### 1.2 Verification Process

In applying for an assessment of the ProTerra MRV Standard, the Economic Operator and the Verification Body (VB) will:

- Agree on the specific scope of the economic operator’s audit – according to the economic operator’s commitments, implementation, deadlines, etc.
- Determine the total number of suppliers
- Determine the number of purchase contracts.
- Determine the sample size as applicable and the suppliers that



will be assessed.

- Determine the operation period covered by the assessment.
- Agree on the dates of assessments.
- Agree on an audit plan.

To receive a verification statement of the ProTerra MRV Standard an organisation must be compliant with the management system requirements being able to close, at the discretion of the VB, any non-compliance within a **maximum** of 60 working days after the closing meeting.

Under the verification of the ProTerra MRV Standard, violation of tenure rights, human rights, deforestation, cutt-off date, labour rights, major breaches to environmental and labour regulations and use of banned pesticides are all purchase blocking factors of a supplier. If non-compliant suppliers are systematically identified in a supply chain of an economic operator this can prevent it from receiving a Verification Statement.

The ProTerra MRV Standard assessment frequency is annual and so is the length of the validity of the Verification Statement of the Standard.

All non-compliances shall be presented to the economic operator in a closing meeting to be held in a maximum of 5 working days after the conclusion of the verification assessment (which includes the assessment of the sampled suppliers).

### **1.3 Verification Report**

The Verification Report shall include all details of the purpose and scope of the verification assessment, the sampling methodology and criteria used, a list of all suppliers that were assessed and their compliance status and gaps with the sustainability requirements of the ProTerra MRV Standard, the source of the data assessed as part of the verification and comments on all relevant aspects that can be meaningful for the economic operator in terms of evidencing compliance with the management

system requirements. All non-compliance shall be clearly indicated in the report and must be in line with the information provided to the economic operator in the closing meeting. The Verification Report is due 20 working days after the conclusion of the verification assessment of an economic operator (which includes the assessment of the sampled suppliers).

An individualised report should be prepared considering the ProTerra MRV Standard Sustainability requirement for each supplier assessed. Suppliers shall receive a copy of their specific report 15 working days after the delivery of the Verification Report to the economic operator.

The economic operator shall provide the VB with evidence of the closure of any identified non-compliance within 60 working days after the closing meeting. The verification decision will be based on the acceptance or not by the VB of the evidence provided and shall be communicated to the economic operator within 20 working days from the receipt of the evidence.

Assessments reports must be kept by the VB for at least 5 years.

## **2. Suspension and Withdrawal**

Where objective evidence indicates that there has been a non-compliance leading to a breakdown in the sustainability of the supply chain caused by an economic operator's actions or inactions, and/or that products have been falsely identified as Verified, the VB shall immediately suspend the Verification Statement. The VB shall notify the ProTerra Foundation within forty-eight (48) hours of this occurrence.

If the economic operator, within the suspension period, fails to prove the solution of non-conformities, the VB shall withdraw the Verification Statement and inform the ProTerra Foundation of the withdrawal. The VB shall notify the ProTerra Foundation within forty-eight (48) hours of this occurrence.

### 3. Complaints and Appeals

The Verification Body must have a procedure to deal with complaints and appeals resulting from its assessment associated with the ProTerra MRV Standard.

Formal written complaints and appeals related to any aspect of the assessment and its decision (whether or not to issue a Verification Statement), shall be received by the VB at any time and should be promptly addressed. The Verification Body shall report to the ProTerra Foundation on any complaints or appeals received in relation to the ProTerra MRV Standard.

If the economic operator or any of its suppliers disagree with the decision made following a complaint or appeal, it may refer the matter to the ProTerra Foundation which will review it with the VB and make the final and definitive decision.

Economic operators, their suppliers and stakeholders are welcome to communicate with the ProTerra Foundation, submit complaints, or inquiries related to the ProTerra MRV Standard via email: [info@proterra-foundation.org](mailto:info@proterra-foundation.org).

Additional information and details on ProTerra Foundation Grievance Mechanism can be found at the ProTerra Grievances and Complaints Policy available on the Foundation's website.

Any administrative procedures over which this document is silent will be defined based on the specific decision of the ProTerra Foundation and the ProTerra Standard Setting Committee. The decision can be applicable to an individual case or binding to all verified economic operators or VBs. The nature of the decision will be communicated to all parties involved and made public to stakeholders.

## ANNEX C - Definitions

Please consider the following standard language:

- “shall” indicates a requirement
- “should” indicates a recommendation
- “may” indicates a permission
- “can” indicates a possibility or a capability
- “may not” indicates a prohibited action

**Agrochemical** – all synthetic chemical inputs used directly or indirectly in agricultural production, and for the maintenance of equipment and storage, including: • Detergents • Pesticides (including fungicides, herbicides, and insecticides) • Fertilisers • Mineral oil-based products • Production aids such as cleaning agents.

**Applicable legislation** – laws applicable in the country of production concerning the legal status of the production area in terms of land use rights, environmental protection, forest protection and management, biodiversity conservation, third party rights, labour rights, human rights, rights of indigenous peoples and local communities, tax, anti-corruption, trade and customs regulations and importers applicable regulations for incoming goods.

**Chain of Custody** – a documented chain of economic operators through whose facilities a given lot of product has passed.

**Cooperating Verification Body (VB)** – a Verification Body approved by the ProTerra Foundation and that has signed a Cooperation Agreement with the ProTerra Foundation.

**Deforestation** – loss of natural forest as a result of: i) conversion to agri-

culture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation, i.e. human-induced conversion of naturally generating forests or other wooded lands to agricultural use or to tree plantations ('naturally generating forest' means a forest predominantly composed of trees established through natural generation). Additionally, under ProTerra MRV Standard deforestation includes no conversion of native grasslands, wetlands, swamps, peatlands, savannahs, steep slopes and riparian areas.

**Deforestation and Conversion Free** – agricultural commodities, including those used for or contained in products, produced on land that has not been subject to land use change after 31 December 2020.

**Forest** – land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10%, or trees able to reach those thresholds in situ, excluding agricultural plantations and land that is under agricultural or urban land use.

**Geolocation** – the geographical location of a plot of land described using latitude and longitude coordinates corresponding to at least one latitude and longitude point and using at least six decimal digits.

**Management system** – a management system is a set of policies, processes and procedures used by an economic operator to ensure that it can fulfil the tasks required to achieve its objectives. In the case of the ProTerra MRV Standard, these objectives relate to ensuring a sustainable deforestation-free organisations supply chain of agricultural commodities and related products.

**Major breaches to regulations** – refer to those regulatory breaches that lead to significant negative impacts on the environment, including deforestation, to the health or safety of workers and to their rights, and to the rights of indigenous and local communities including negative impacts to their livelihoods.

**Pesticide** – a collective term that refers to all insecticides, fungicides, and herbicides.

**Relevant Products** – processed materials or goods that have agricultural commodities as ingredients.

### **Significant negative impact**

- significant negative environmental impact means the anticipated change in the environment that results in the loss of biodiversity and of the quality of natural resources (air, water, soil, etc.), to a level that threatens life in all its forms and that cannot be remediated in a short term and requires significant capital investment to be remediated.
- significant negative social impact means an anticipated change in the social or work environment that leads to social injustice and to the loss of rights of workers, indigenous and local communities including negative impacts on their livelihoods. The United Nations Sustainable Development Goals (SDGs), provide a framework of the key areas for enacting negative social change (poverty, hunger, health and wellbeing, education, gender equality, water and sanitation, energy, work and economic growth among others).

**Smallholder** – a farm where the majority of labour is provided by family members. This implies family farms or family agriculture excluding corporations or business enterprises. Profits accrue primarily for the farmer and his family and the farm is the primary source of income.

**Supplier** - a producer or company that supplies raw materials, processed materials, or finished products to a buyer.

- Direct supplier – one that sells a commodity or a related product directly to the buyer. The direct supplier either grows the commodity or produces the related products himself (for example a farmer that produces soy or an industrial processor that produces lecithin are direct suppliers of organisations that purchase soy and lecithin from them, respectively, without an intermediary).
- Supplier with unknown traceability – one who resells a commodity or a related product that has been bought from a third party (who may or may not be his direct supplier), thus acting as an intermediary.

**Traceability** – the system of documentation that enables any economic operator in the supply chain to trace the product or raw material or a derivative thereof back through the supply chain.

**Verification** – assessment and validation of compliance, performance, and/or actions against a stated commitment, standard, or target. Verification processes typically use monitoring data but may also include other sources of information and analysis. Third-party verification involves a verification conducted by an independent entity that does not provide other services to the company.

**Worker** – this term refers to direct employees of an economic operator, subcontractors working at or for the organisation at the organisation's premises. It also includes all permanent and temporary members of the economic operator's labour force.

## Document Revision History

<b><i>Title</i></b>	<b><i>Date</i></b>	<b><i>Pages</i></b>	<b><i>Type of Document</i></b>
ProTerra Foundation Monitoring and Verification Standard Version 1.0	September 14, 2023	1- 32	Normative document - Publication of the Standard.