

LDC.

Louis Dreyfus Company

Program for Sustainable Agriculture.

Established in 2019, Louis Dreyfus Company's Program for Sustainable Agriculture is based on the implementation of requirements related to human rights, workers' health and safety, labor relations, environmental protection, agricultural practices, land use and community relations.

As stipulated in LDC's [Group Code of Conduct](#), we hold ourselves accountable for adhering to high environmental, social and ethics standards, and expect our suppliers to uphold the same principles in their operations.

SINCE
1851

Contents

1. Introduction.....	2
2. About This Version.....	2
3. Scope.....	2
4. Technical and Normative References.....	3
4.1 Technical References.....	3
4.2 Normative References.....	3
5. Key Terms and Definitions.....	3
6. Farm-level Requirements.....	4
6.1 General Requirements.....	5
6.2 Human Rights.....	5
6.3 Health and Safety.....	6
6.4 Labor Relations.....	7
6.5 Environmental Protection.....	8
6.6 Agricultural Practices.....	9
6.7 Land Use and Community Relations.....	11
6.8 Greenhouse Gas Emissions Measurement.....	11
7. Chain of Custody and Traceability Requirements.....	12
8. Internal Management System.....	13
9. Program Certification Requirements.....	13
9.1 Selection of the Certification Body.....	13
9.2 Certification Process.....	14

1. Introduction

Louis Dreyfus Company's (LDC) Program for Sustainable Agriculture (the Program) aims to contribute to the dissemination and adoption of sustainable practices in the agricultural production of commodities purchased and commercialized by LDC.

The Program is based on the implementation of requirements related to human rights, workers' health and safety, labor relations, environmental protection, agricultural practices, land use and community relations.

Upon certification, producers, their employees and appointed members or institutions in the community where farm areas are located, as well workers of companies involved in the chain of custody, are eligible to participate, free of charge, in training programs that may be offered by LDC on annual basis. Certified partners can provide suggestions on training programs or other initiatives that may benefit the local community or their workers. Final selection of training programs or other initiatives to be implemented or offered is at LDC's discretion.

The supply chain models certification scheme considered by this Program are based on "book and claim" and "physical mass balance" approaches, whereby production certified under this Program may be monitored to avoid double counting by other certification schemes, considering both credit and chain of custody. LDC must monitor and show evidence of all volumes certified and commercialized under each scheme.

For further information on the Program, please email sustainableagriculture@ldc.com.

2. About This Version

In this third version, LDC has incorporated updates to meet evolving sustainability requirements in destination markets and align our Program with 2023 FEAC Soy Sourcing Guidelines.

3. Scope

This is a voluntary program for agricultural producers and other partners in product chains of custody, who wish to be part of LDC's sustainable agricultural value chain.

The Program was originally developed for use in Brazil, focusing on soy and corn production, but can now also apply to other crops produced in any location where LDC operates.

For more information, please visit www.ldc.com

4. Technical and Normative References

4.1 Technical References¹

- International Finance Corporation (IFC) [General Environmental, Health & Safety \(EHS\) Guidelines Introduction](#)
- IFC EHS Guidelines: [Annual Crop Production](#)
- [FEFAC 2023 Soy Sourcing Guidelines](#)

4.2 Normative References

- [ISO/IEC 17065:2012](#) - Conformity Assessment - Requirements for bodies certifying products, processes and services
- [ISO/IEC 17021:2011](#) - Conformity Assessment - Requirements for bodies providing audit and certification of management systems
- [ISO 19011:2011](#) - Guidelines for auditing management systems
- [ISEAL Sustainability Claims Good Practice Guide](#)

5. Key Terms and Definitions

Book and Claim: a certificate/credit trading model where certified product does not necessarily physically enter the supply chain of the organization that purchases the certificates/credits.

Certificate: a document issued by the certification body attesting compliance with this Program.

Certification: a formal procedure by which an accredited organization assesses and verifies if producers and other actors of the chain of custody are in compliance with the requirements of this Program.

Certification Body: company responsible for carrying out the third-party audit, which the auditor is part of.

Certification Decision: Certification Body's decision if a producer or other chain of custody actors, including the Certification General Manager, meet the requirements of this Program, subsequently issuing the certificate.

¹ Technical References are considered guidance to support the producer in program implementation. Certification audit **will not** be against these references.

Certification General Manager: LDC plays the role of Certification General Manager for producers and other chain of custody actors, to guarantee traceability and compliance with the requirements of this Program.

Chain of Custody: the custodial sequence that occurs as product ownership or control transfers from one custodian to another along the supply chain.

Country Mass Balance: a technical accounting system that allows one organization to apply mass balance accounting of certified commodities and derivatives over multiple physical production sites within a given country.

Mass Balance at site level: a technical accounting system that allows one organization to apply mass balance accounting of certified commodities and derivatives at site level. Considering mass balance material inputs and outputs at each physical site included in the scope of the certification.

Internal Management System (IMS): a documented quality management system required for group certification. The purpose of an IMS is to facilitate the efficient organization and management of the producer group, and to ensure that the group and its members comply with the requirements of this Program.

Other Chain of Custody Actors: all stakeholders, other than producers, who are part of a specific commodity supply chain as the commodity moves from farm to final destination.

Pesticide: a generic term that refers to all insecticides, fungicides and herbicides. It could also be referred to as agrochemicals or crop protection products.

Producer: an entity or person responsible for undertaking and contracting agricultural commodities planting, growing and harvesting activities.

6. Farm-level Requirements

This section presents the technical requirements considered within the context of this Program. All requirements apply to producers who seek certification under the Program.

Third-party audits will assess compliance of producer practices in relation to all of these.

Except for General Requirements (6.1), Environmental Protection (6.5), Agricultural Practices (6.6) and Land Use and Community Relations (6.7), the other requirements also apply to all workers engaged at farm level, including those contracted by third parties, as well as migrant and seasonal workers.

Farm-level requirements are divided into three categories - essential, desired and others.

All essential requirements, at least two (2) desired requirements and three (3) other requirements must be met, in order to achieve certification.

For more information, please visit www.ldc.com

Should there be non-conformities, the Certification General Manager must develop an action plan to be implemented in partnership with producers within one (1) year, and conformity will be verified during the next audit.

6.1 General Requirements

6.1.1 (Essential) The producer shall commit to compliance with the requirements set forth in this Program, including undertaking necessary investment to improve practices. The producer should disclose to LDC their participation in any other certification schemes, including areas certified, prior to participation in this Program.

LDC is the sole responsible party for the eventual commercialization of credits and/or physical products generated under this Program.

6.1.2 (Essential) The producer shall be aware of his/her legal responsibilities and shall comply with applicable laws/regulations.

6.1.3 (Essential) The producer shall hold all legally required licenses, permits and authorizations, as applicable, such as a license for water abstraction, etc.

6.1.4 (Essential) Expansion of agricultural production areas shall comply with applicable legislation on agriculture expansion.

6.1.5 Only legally commercialized and licensed products, such as seeds, pesticides, fertilizers, software and equipment, will be purchased and used for farm production and administration.

6.1.6 The producer shall commit to ethical business practices as defined by applicable national and local laws, and will not engage in or condone bribery and corruption.

6.1.7 The producer shall implement an improvement plan, if needed, based on a diagnosis of current practices. The plan should include, at minimum: objectives, action items and targets, timeline and responsibilities. The first improvement plan shall be fully implemented by the end of the second year of certification, with new objectives defined and added on an annual basis, if needed. The objective is to foster continuous improvement.

6.2 Human Rights

6.2.1 (Essential) The producer shall not employ forced, slave or any other form of involuntary labor.

6.2.2 (Essential) The producer shall not employ child labor in any circumstances. Children are defined as all individuals under 15 (or less, if established by national law).

6.2.3 (Essential) Youngsters aged between 15 and 18 years shall not be engaged in hazardous activities or any work that jeopardizes their physical, mental or moral wellbeing, or interferes with their education.

- 6.2.4 (Essential) The producer shall not engage in or condone any form of discrimination, and will ensure equality of opportunity and treatment of all employees, including with regarding to remuneration and promotion opportunities. There shall be no difference in treatment of workers based on employment status (e.g. permanent, temporary or subcontracted workers), race, color, gender, sexual orientation, religion, political opinion, nationality, social origin or any other personal characteristics or preferences.
- 6.2.5 (Essential) Workers shall not be subjected to corporal punishment, oppression, coercion, abuse or any form of harassment or intimidation.
- 6.2.6 (Essential) The producer and any third party shall not retain, unless legally required, workers' identity papers, personal documents, salaries or belongings.
- 6.2.7 The producer shall ensure that workers have the right to maternity/paternity leave, complying at minimum with national regulations.
- 6.2.8 The producer shall not engage in or condone any form of sexual exploitation.

6.3 Health and Safety

- 6.3.1 (Essential) The producer shall evaluate health and safety risks associated with their activity and develop procedures/practices to control or minimize these risks, creating a safe and healthy workplace. Producers shall demonstrate awareness and understanding of health and safety matters associated with their activity.
- 6.3.2 (Essential) All employees shall be aware of and understand the health and safety matters associated to their work.
- 6.3.3 (Essential) Potentially hazardous tasks shall only be carried out by trained and competent workers.
- 6.3.4 (Essential) The producer shall provide workers with adequate personal protective equipment (PPE) and clothing, without cost to workers, substituting and upgrading this whenever necessary.
- 6.3.5 (Desired) The use of PPE and application of safety requirements shall be enforced.
- 6.3.6 (Essential) The producer shall provide workers with safe drinking water, healthy meals and adequate sanitary facilities. In case of workers living at their place of work, if charges are made on housing, meals or other items, these shall be fairly priced, based on local market conditions.
- 6.3.7 (Desired) The producer shall provide training to all workers related to each job position/activity, including emergency procedures and health and safety requirements.
- 6.3.8 (Essential) The producer shall ensure that medical treatment/first aid is provided without delay in case of accidents and make first aid kits available at all permanent work sites, close to the field.

6.3.9 (Essential) The producer shall have an emergency plan in place, and workers shall be trained and understand how to follow it.

6.4 Labor Relations

6.4.1 (Essential) The work week shall be according to national laws and shall, at maximum, not routinely exceed 48 hours per week (not including overtime).

6.4.2 (Essential) Overtime shall always be voluntary and paid in accordance with national laws or labor union agreements.

6.4.3 (Essential) Overtime exceeding 12 hours per week shall only be allowed in extraordinary conditions, where there are time constraints or risks of significant economic loss, and where conditions for overtime exceeding 12 hours per week have been agreed between workers and management.

6.4.4 (Essential) Working hours and overtime shall be monitored and records kept.

6.4.5 (Essential) The producer shall guarantee the right for all workers to establish and/or join an organization of their choice.

6.4.6 (Essential) All workers shall have the right to collective bargaining.

6.4.7 (Essential) The producer shall not impede adequate functioning of workers' associations.

6.4.8 (Essential) Workers' representatives shall not be subject to discrimination and shall have access to their co-workers in the workplace upon request.

6.4.9 (Essential) The producer shall pay a wage or salary at least equal to the minimum established by national legislation. If no minimum wage law or labor union agreement exists, payment shall at least meet market level salaries paid in the same region for the equivalent function or job. In case of temporary work, wages shall be paid at a rate proportional to the legal/market level wage. Wages paid shall be recorded by the employer.

6.4.10 (Essential) The producer shall not make any deduction from wages for disciplinary or similar purposes.

6.4.11 Wages or salaries shall be regularly paid, at least once per month, in a manner that is fair and convenient for all workers at a given workplace.

6.4.12 (Essential) All workers shall have a written contract in a language they can understand, including clear information on, at least, working hours, wages and employment conditions. Illiterate workers shall receive a detailed explanation of above items in the contract, in simple language and in a manner that workers can easily understand.

6.4.13 (Essential) A communication and grievance mechanism shall be available to all workers, and such channels shall be made known to workers. Grievances shall be dealt with in a timely and effective manner. Documented evidence of complaints and

grievances received shall be maintained. Grievance mechanism and communication channels shall be transparent, adequate, disclosed and accessible to workers.

6.5 Environmental Protection

- 6.5.1 (Essential) Areas assigned as legal reserves and under permanent protection as per regulations, shall be protected. In case of previous clearing, these areas shall be restored or compensation actions shall be implemented, based on agreements with local authorities. These areas must include, as a minimum, wetlands, natural vegetation around water bodies (e.g. riparian vegetation and flood plains) and areas sensitive to erosion (e.g. steep slopes and hills). Wetlands (Ramsar Convention) must be protected.
- 6.5.2 (Essential) No agricultural production shall take place in converted natural ecosystems (natural forests, native grasslands, wetlands, swamps, peatlands, savannas, steep slopes and riparian areas) in line with the Accountability Framework Initiative after a specific cut-off date no later than 31 December 2020. In Brazil's Amazon Biome, the deforestation cut-off date of July 22, 2008 shall apply, in line with the Amazon Soy Moratorium.
- 6.5.3 (Essential) Biodiversity in the farm area shall be protected through the preservation of native vegetation. This includes mapping of native vegetation areas on the farm and the development of native vegetation protection and recovery plans, as needed.
- 6.5.4 (Essential) The producer shall conserve the quality of all surface and underground water. Monitoring of water quality shall be implemented for surface water bodies within the farm's influence. If a groundwater well is installed on the property, groundwater monitoring shall also be implemented.
- 6.5.5 (Essential) Adequate storage, handling and disposal facilities shall be put in place for hazardous and nonhazardous waste (batteries, tires, sewage etc.), in compliance with local regulations.
- 6.5.6 (Essential) The producer shall implement waste management measures, focusing on waste reduction, reuse and recycling.
- 6.5.7 (Essential) The producer shall handle and store potentially polluting materials (oils, lubricants, fuel, etc.) in a manner that avoids soil and water contamination.
- 6.5.8 (Essential) Sanitary sewage and liquid effluents shall be discharged in a manner that does not cause pollution to surface or groundwater.
- 6.5.9 (Essential) Burning of waste (including crop residues) or burning as means of vegetation removal is forbidden (unless obligated by national authorities or for crop drying).
- 6.5.10 (Essential) The use of fossil fuel shall be monitored, and efforts made to reduce consumption over time.

6.5.11 (Essential) Any evidence of soil, surface or groundwater contamination shall be investigated, monitored and if necessary remediated, in collaboration with local authorities.

6.6 Agricultural Practices

6.6.1 Farms shall maintain records of agricultural production and inputs (such as seeds, pesticides and fertilizers, among others).

6.6.2 In case of usage of Genetically Modified Organisms (GMOs), payment of royalties shall be fully made.

6.6.3 (Essential) Good agricultural practices are implemented to minimize diffuse and localized impacts on surface and ground water quality from chemical residues, fertilizers and erosion or other sources. This entails maintaining a buffer zone around water bodies, precision farming etc.

6.6.4 Any direct evidence that the local ground or surface water has been contaminated shall be reported to, and monitored in collaboration with local authorities

6.6.5 (Essential) The producer shall understand and adopt measures to prevent erosion, as applicable. This entails using cover crops, using terraces etc.

6.6.6 (Essential) When irrigation is used, measures shall be taken to optimize water use and conserve both water and soil, avoiding contamination, salinization and desertification of the soil, and complying with relevant legislation.

6.6.7 (Essential) Monitoring appropriate to the scale of the farm's operations shall be undertaken, to demonstrate that practices to protect water quality are effective. Actions shall be implemented to reduce water consumption wherever possible.

6.6.8 (Essential) The producer shall understand and use techniques to maintain and control physical, chemical and biological soil quality, as applicable. This includes precision farming, residue management, no tillage, crop rotation etc.

6.6.9 (Essential) Producers reduce the use of fossil fuels by for example implementing controlled traffic farming, precision agriculture techniques or lighter machinery.

6.6.10 (Essential) Producers shall conduct periodic soil analyses to monitor changes in soil conditions.

6.6.11 (Essential) Producers shall enhance their soils and avoid soil compaction by applying no-tillage practices.

6.6.12 (Essential) Producers shall improve their soils through the use of cover crops and or intercropping practices.

6.6.13 Application of fertilizers shall follow technical recommendations based on the results of soil analyses.

6.6.14 (Essential) Use of pesticides shall follow legal requirements and be based on professional recommendations. Measures to prevent resistance shall be taken.

For more information, please visit www.ldc.com

- 6.6.15 (Essential) Producers shall not use pesticides prohibited by national regulations or listed under the [Stockholm](#) and [Rotterdam](#) conventions. In cases where chemicals listed in these conventions are allowed by national law, the producer shall implement a plan of progressive reduction over time.
- 6.6.16 (Essential) Application of pesticides and fertilizers shall be documented.
- 6.6.17 (Essential) Pesticides and fertilizers shall be applied using methods that minimize negative impacts on human health, wildlife, biodiversity, and water and air quality.
- 6.6.18 (Essential) The producer shall adequately handle, store, transport and dispose of pesticides and fertilizers according to relevant regulations and professional recommendations, such as manufacturers' instructions. These activities shall be monitored.
- 6.6.19 (Essential) The producer shall not engage in pesticide spraying within 30 meters (or more, when required by national legislation) of water bodies, protected areas and populated areas. All necessary precautions shall be taken to prevent people from entering recently sprayed areas.
- 6.6.20 (Essential) Aerial application of pesticides shall be done in a way as to minimize impact on populated areas and water bodies. All aerial application shall be preceded by advance notification to residents located within at least 500 meters of the planned application area.
- 6.6.21 The producer shall adhere to quarantine periods, avoiding harvests until possible pesticide hazards for consumers is reduced to acceptable levels defined by law.
- 6.6.22 (Essential) The producer shall not engage in aerial application of pesticides in [WHO Class Ia](#), [Ib](#) and [II](#) within 500 meters of populated areas or water bodies.
- 6.6.23 (Essential) Pesticide contaminated waste (empty containers, personal protective equipment, etc.) shall be adequately handled, stored and disposed of.
- 6.6.24 (Essential) The producers shall ensure that any use of phytosanitary products complies with national legislation.
- 6.6.25 (Essential) The producer shall adopt measures to monitor, control and minimize the spread of invasive species and pests.
- 6.6.26 (Essential) The producer shall adopt measures that permit the co-existence of different production systems.
- 6.6.27 (Essential) The producer shall implement and maintain an Integrated Crop Management System, including adequate and continuous monitoring of crop health and use of non-chemical and chemical control to improve crop resilience.
- The system shall comprise targets for reduced use of potentially harmful pesticides over time.

6.7 Land Use and Community Relations

- 6.7.1 (Essential) The producer shall have documented evidence of legal rights to use land, such as rental agreements, court order etc.
- 6.7.2 (Essential) The producer shall ensure that free, prior and informed consent (FPIC) is secured from indigenous peoples and local communities (IPLC), prior to any new activity (land acquisition or development) that may affect their rights, land, resources, livelihoods and/or food security.
- 6.7.3 International laws and standards on the rights of indigenous people and tenure rights of local communities need to be respected.
- 6.7.4 (Essential) No soy production takes place on land where there is an unresolved land use claim.
- 6.7.5 In case of disputed land use rights, a comprehensive, participatory and documented community right assessment shall be carried out, and recommendations from the assessment shall be followed.
- 6.7.6 (Essential) The producer shall have communication channels available with local communities, neighbours and traditional land users, including to receive complaints, with an effective grievance mechanism in place. Documented evidence of complaints and grievances received and resolved shall be maintained.
- 6.7.7 (Essential) If applicable, the producer shall respond/react to a complaint in a timely way, aligned with any requirements from competent authorities.
- 6.7.8 (Essential) Grievance mechanisms and communication channels shall be transparent, adequate, disclosed and accessible to local communities and traditional land users.
- 6.7.9 Communication channels (written sign or website with information such as email, cell-phone etc.) enable communication between the producer and the community. The communication channels have been made known to the local communities.

6.8 Greenhouse Gas Emissions Measurement

- 6.8.1 The producer shall record inputs and practices at farm level, in order to allow calculation of product/activity Greenhouse Gas emissions (kgCO₂eq/MT).

Data to be gathered representing the growing period includes:

- Seeding rate & weed variety;
- Yield & moisture content of harvested products;
- Fertilizer type;
- Fertilizer quantity (N, P) applied per hectare of commodity product;
- Lime quantity applied;
- Area irrigated;

- Application of pesticide, herbicide, fungicide, including active ingredients and quantity applied;
- Crop residue management practices;
- Tillage practices;
- Fuel type and quantity used throughout growing period;
- Electricity used and sourced (e.g. grid); and
- Latest land use changes on the farm (type and area).

7. Chain of Custody and Traceability Requirements

Traceability refers to the ability to follow a product through all stages of the supply chain (e.g. production, processing, transportation and distribution).

For this Program, the following modules are currently available:

Module A - Book and claim

Under the 'book and claim' model, the end consumer purchases a quantity of certificates or credits that matches the quantity of sustainable products certified under the Program. Certified products don't necessarily physically enter the end buyer's supply chain.

Module B – National Mass Balance Chain of Custody

Under the 'country mass balance' model, certified products shall be purchased and physically received at warehouses or other facilities operated by LDC or third-party service providers. Physical mixing or volume reconciliation of certified and non-certified products is permitted at any stage in the production process, provided that certified quantities are controlled and documented, to ensure the volume of certified products sold by LDC is no more than the volume of certified products purchased throughout the supply chain.

Module C – Mass Balance at site level Chain of Custody

Under the 'site level mass balance' model, certified products shall be purchased and physically received at warehouses or other facilities operated by LDC or third-party service providers. Physical mixing or volume reconciliation of certified and non-certified products is permitted within a specific site, provided that certified quantities are controlled and documented, to ensure that the output of certified mass balance material from a specific physical site does not exceed the input of certified mass balance material received at that physical site.

For more information, please visit www.ldc.com

8. Internal Management System

As Certification General Manager, LDC shall develop an internal management system for program management, enabling LDC to:

- Support producers with interpreting Program requirements, developing and implementing continuous improvement action plans, and scheduling certification audits.
- Support producers in developing self-assessments in preparation for certification audits, should producers desire to do so.
- Ensure producers participating in this Program comply with farm-level requirements.
- Manage records of all purchases and sales of certified products under this Program. This includes managing traceability data from certified farms to exporting ports, to trace certified products through all supply chain stages.
- Keep annual summaries of volumes of certified products harvested and supplied to customers under this Program.

9. Program Certification Requirements

This section describes the administrative process and procedures for certification in the context of LDC's Program for Sustainable Agriculture.

Additional administrative process or procedures not detailed in this document, if any, will be further defined by the Certification Body responsible for the certification audit.

Selection of the Certification Body and all costs associated with certification will be the sole responsibility of LDC.

9.1 Selection of the Certification Body

LDC will select and hire a Certification Body responsible to conduct the certification audit in line with the requirements of this Program.

A Certification Body will be considered qualified by LDC when:

- It is accredited based on ISO/IEC 17021 and/or ISO/IEC 17065 by a member of the International Accreditation Forum (IAF), and
- It has proven experience in conducting certification audits in similar and recognized sustainable agriculture programs.

The selected Certification Body must have a procedure to deal with complaints and appeals resulting from the certification process.

For more information, please visit www.ldc.com

9.2 Certification Process

LDC's Program for Sustainable Agriculture requires the completion of a third-party assessment carried out by an accredited Certification Body that is independent from the assessed entities and LDC.

A certificate can be issued only upon successful completion of such assessment.

Chain of custody models used in this Program include the "book and claim", "country mass balance" and "Mass Balance at site level" models. Products certified under this Program shall be monitored to avoid any double counting by other certification schemes. LDC shall monitor and show evidence of all volumes certified and commercialized under each model, in order to receive and retain the certificate.

9.2.1 Self-Assessment

A self-assessment is when the producer verifies his/her own performance, though it is noted that self-assessment exercises are not eligible for certification (or other forms of recognition) under this Program. The self-assessment can be carried out by the Certification General Manager.

Additional references to support the producer in implementing this Program are listed under item 4.1 of the Technical Reference section above, as well as in applicable legal requirements and standards.

9.2.2 Internal Management System (IMS)

An IMS must be put in place for the purpose of certification of a group of farmers.

During the audit, the Certification Body shall verify adoption of the following points by the Certification General Manager:

- Responsible persons: the farmer group has a chart indicating all individuals in the IMS, including their roles and responsibilities.
- Member identification and agreement: a registry of group members is kept and updated; a signed agreement is in place between the group and each of its members.
- Internal inspection and self-assessment procedure: an internal system is in place to formally inspect producers on all relevant Program requirements; internal inspection results are documented in a report; the self-assessment is made available to the external auditor.
- Risk assessment and management plan: a risk assessment is carried out to identify possible risks in production and processing; a two-year group management plan is prepared and includes actions to address all relevant issues identified in the risk assessment; improvement actions are implemented and documented.

9.2.3 Audit Plan

The Certification Body shall plan the audit to collect and review evidence of compliance, including:

- Review of relevant documents from the producer (e.g. licenses, monitoring results and contracts, among others);
- Review of satellite images to verify deforestation-related issues;
- Onsite inspection to evaluate conditions, practices, operations and installations for compliance with legal and Program requirements (e.g. existence of preservation areas and adequate storage of hazardous chemicals, among others);
- Review/research of local city, state and federal records to the extent possible, to identify possible regulatory listings for the site;
- Interviews with the producer, site workers and local communities; and
- Review of relevant documents provided by the Certification General Manager, including all controls showing compliance with chain of custody and traceability requirements.

As part of the Audit Plan, the Certification Body shall run a qualitative risk assessment to help determine the duration of the audit. Sampling criteria are established for multiple sites under the same certification, as well as audit duration requirements used by the Certification Body in planning the audit.

Onsite audits are required only at farm level. The sample must be representative of the whole group and determined using a combination of risk and random selection. The farms selected for audit should vary from year to year. Considering that "y" is the quantity of members of group, the minimum fixed sample size is \sqrt{y} but cannot be smaller than 10%. \sqrt{y} or 10%, whichever is the smallest.

For all other supply chain stages, the audit will focus on reviewing traceability and chain of custody documentation. The same sampling criteria applies to multi-site certification. Considering that "y" is the quantity of sites, the minimum fixed sample size is \sqrt{y} but cannot be smaller than 10%. \sqrt{y} or 10%, whichever is the smallest.

The Certification Body shall ensure that an audit plan is established for each specific audit, presented to and agreed with LDC and the producer.

9.2.4 Certification Audit

Based on the audit plan, a site visit will be scheduled.

The producer shall grant access to his/her production area(s) under certification and administrative premises, and make himself/herself and workers available for interviews.

The producer shall also provide all required and necessary documents and evidence requested by the Certification Body.

For group certification, the audit must include an evaluation of the structure and functioning of the Internal Management System (IMS), including:

For more information, please visit www.ldc.com

- Verification of the list of group members;
- Verification of the contract or agreement between group members and group or IMS management;
- Review of the records of annual internal inspection conducted under the IMS; and
- Review of the resolution of nonconformities by the IMS.

The producer will receive a copy of the Audit Report within 30 days after audit completion.

The producer shall then prepare a Corrective Action Plan and timeline to address any nonconformities identified, to be presented for approval to the Certification Body within 30 days after receiving the Audit Report.

9.2.5 Certification Decision

To be certified, a producer shall:

- a) Be compliant with **all essential requirements** of this Program;
- b) Be compliant with **at least 2 desired criteria and 3 of the other requirements**; and
- c) If applicable, provide evidence of correction of nonconformities associated with items (a) and (b) above, as agreed with the Certification Body.

If the producer fails to meet any of these requirements, an action plan shall be agreed with the Certification Body and a new audit shall be scheduled for a future date.

A certification decision is expected within 30 days of the conclusion of the certification audit, or of the Certification Body's review of any additional evidence from the producer on resolution of nonconformities - whichever is later.

Along with the Certification Decision, the Certification Body shall revisit the qualitative risk assessment developed in the planning phase and indicate if any intermediary/surveillance audit (prior to recertification) is deemed necessary.

9.2.6 Surveillance and Recertification

The length of certification validity is five years, with annual compliance audits starting from the second year of certification, except if any relevant fact is discovered during this time or the revised qualitative risk assessment indicates otherwise. A special audit may be deemed necessary by LDC and/or the Certification Body.

A relevant fact includes, but is not limited to, fines, sanctions and/or investigations by public authorities associated with child labor, slavery, breaches of human rights, conflicts with traditional or indigenous communities, illegal deforestation and/or major environmental incidents.

These events may lead to the automatic suspension of certification, at the discretion of LDC and/or the Certification Body, until a new certification audit is conducted with satisfactory results.

For more information, please visit www.ldc.com

9.2.7 Use of Certificate

Sales certificates will be issued based on farm-level certified volumes. At each audit cycle, LDC must prove that all requirements defined herein are met. For customers who require it, specific certificates for each shipment can be issued based on 'book and claim' or 'country mass balance' models.

LDC makes no representations regarding questions of legal interpretation of regulation within the scope of certification. Legal compliance on all aspects of the producer's activity is the sole responsibility of the producer. LDC assumes no responsibility for any misuse of the certificate by the producer.

Upon certification, producers shall agree that they will make no claims against LDC that relate in any way to certification, use of the certificate or misinterpretation by third parties of use and content of the certificate.

9.2.7.1 Confidentiality

All audit documents and findings, as well as specific information on the producer's operations, shall not be disclosed to any third party, unless formally authorized by the producer and LDC.

9.2.8 Complaint and Appeal

Formal written appeals and complaints shall be sent directly to the Certification Body within a maximum of sixty (60) days after the certification decision.

The Certification Body shall report to LDC any unresolved complaint or appeal.

If the producer disagrees with the decision made following a complaint or appeal, the producer shall refer the matter to LDC for further review with the Certification Body. This review will be conducted by a committee comprising LDC representatives from the following departments: Compliance, Sustainability Origination and Legal.

A final decision shall be made at the end of the review process.

In case of complaints from producers or clients to LDC in relation to this Program, please email sustainableagriculture@ldc.com.