



SCOPE RULES FOR **LIFE** METHODOLOGY

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OBJECTIVE

This document establishes the rules for defining the scope of an organization/producer's assessment, to apply the LIFE Methodology and/or LIFE Certification for Business and Biodiversity.

APPLICATION

It applies to organizations interested in using the LIFE Methodology, LIFE certified organizations (or in the process of certification), LIFE certification bodies, and other stakeholders.

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1. INTRODUCTION

The Scope Rules are essential for the application of the LIFE Methodology for Business and Biodiversity, with or without certification purposes, since they delimit the scope of the evaluation and, consequently, the organization's responsibility to meet the applicable requirements of the method and those of the legislation.

This delimitation is indispensable for: i) verifying the level of organizational compliance with the LIFE Standard, ii) calculating the Biodiversity Pressure Index (BPI), in addition to iii) defining the Biodiversity Minimum Performance (BMP).

The LIFE Methodology presents Scope Rules directed to the primary, secondary and tertiary sectors, which are explained in the following items.

2. GENERAL RULE OF COVERAGE

Each organization/producer/business unit applies the LIFE Methodology in its facilities autonomously, regardless of whether it belongs to the primary, secondary, or tertiary sector.

In a certification situation, each organization/producer/business unit goes through a third-party audit process, via LIFE accredited certification body, to obtain the individual certificate.

3. SPECIFIC RULES FOR EACH SECTOR

3.1 PRIMARY SECTOR

For the primary sector (e.g., agriculture, livestock, and forestry) the definition of the evaluation scope depends on the type of raw material production, as follows:

a) Own production in own area

It is the responsibility of the organization/producer to meet the requirements of the LIFE Methodology in its areas, as well as all applicable legal and environmental requirements.

Regarding certification, meeting the requirements becomes mandatory for the organization/producer to obtain the LIFE certificate.

b) Own production in leased areas

It is the responsibility of the organization/producer to meet the requirements of the LIFE Methodology in leased areas. In cases where the contract is limited to a portion of the property, this responsibility will only be linked to the areas foreseen in the contract. However, all legal environmental requirements applicable to the property must be met, even if the contract is restricted to production areas only.

Regarding certification, meeting the requirements in the leased areas becomes mandatory for the organization/producer to obtain the LIFE certificate.

c) Production in partnerships (integrated, promotion, and similar)

It is the responsibility of the organization/producer to meet the requirements of the LIFE Methodology in partner areas. In cases where the contract is limited to a portion of the property, this responsibility will only be linked to the areas foreseen in the contract. However, all legal environmental requirements applicable to the property must be met, even if the contract is restricted to production areas only.

However, if the partner farm uses the LIFE Methodology voluntarily and assumes the commitments with the requirements directly, it is not necessary to include this area in the evaluation scope of the organization/producer.

Regarding certification, it becomes mandatory for the organization/producer to incorporate the partner areas (foreseen in the contract) in the evaluation scope to obtain the LIFE certificate. However, if the partner property is LIFE certified, the organization/producer is exempted from the responsibility.

d) Outsourced production

For cases in which production is outsourced, the rules for Supplier Evaluation apply (Reference Document).

Remarks
<p>In the case of organizations with more than one property, the organization's Gross Revenue should be apportioned among the units, in a directly proportional relationship to the planted area. The Biodiversity Minimum Performance (BMP) will be the sum of the scores of all the farms.</p> <p>For cases in which the organization/producer buys raw material and/or materials that comprise the direct cost of its products, the rules for Supplier Evaluation apply (Reference Document).</p>

3.2 SECONDARY SECTOR

For the secondary sector (e.g., factory and industry) the scope comprises the entire physical extent of the organization's business unit(s) selected for assessment.

If the organization has more than one business unit, the evaluation can be performed individually or grouped for all units (as long as they are in the same ecoregion and hydrographic region).

For circumstances where the secondary sector organization has its primary production, either on owned and/or leased areas, the primary production units need to be included in the assessment scope.

When the raw material comes from its areas located in a country other than that of the organization in question, and the LIFE Methodology is not adapted for this country, the rules for Supplier Evaluation (Reference Document) apply until there is a national adaptation of the method.

For instances where the primary production is not in-house, e.g., partnership production, the rules for Supplier Evaluation apply.

For cases where the organization purchases materials that are a direct cost component of its products, the rules for Supplier Evaluation apply.

If the secondary sector organization has business units in the tertiary sector, there is no need to include them in the assessment scope.

Regarding certification, compliance with the previously mentioned guidelines is mandatory. In other words, it is not possible to certify the organization without certifying its primary production units, whether on its own and/or in leased areas. However, it is optional to include all the business units of the secondary sector and, if any, of the tertiary sector, in the scope of the evaluation.

3.3 TERTIARY SECTOR

For the tertiary sector (e.g., stores, offices, and distribution centers) the scope comprises the entire physical extent of the organization's business unit(s) selected for assessment.

If the organization has more than one business unit, the evaluation can be performed individually or grouped for all units (as long as they are in the same ecoregion and hydrographic region).

In circumstances where the tertiary sector organization has its own primary production (either on owned and/or leased areas) and/or own secondary production, these production units need to be included in the assessment scope.

When the raw material comes from its areas located in a country other than that of the organization in question, and the LIFE Methodology is not adapted for this country, the rules for Supplier Evaluation (Reference Document) apply until there is a national adaptation of the method.

For instances where the primary production is not in-house, e.g., partnership production, the rules for Supplier Evaluation apply.

For cases where the organization purchases materials that are a direct cost component of its products, the rules for Supplier Evaluation apply.

Regarding certification, compliance with the previously mentioned guidelines is mandatory. In other words, it is not possible to certify the organization without certifying its own primary production unit(s) (either on owned and/or leased areas), and its own secondary production. However, it is optional to include all business units in the tertiary sector.

NOTES ON DEVELOPMENT OF THIS DOCUMENT

Version 1.0: approved on 05/17/2018, by the LIFE Institute Board of Directors. An initial issue resulting from the dismemberment of the document "Scope Rules and Group Certification for LIFE Certification".

Version 2.0: approved on 04/06/2020, by the LIFE Institute Board of Directors. Refining the wording and supplementing the content to better understand the scope of an organization's/producer's evaluation.

Version 2.0-R1: approved on 08/31/2023, by the LIFE Institute Board of Directors. Update of methodology abbreviations, change of document layout and insertion of the new LIFE Institute logo.