

In the context of the global biodiversity agenda, **"IPLC"** refers to *Indigenous Peoples and Local Communities*. These groups are considered guardians of nature due to their role in conserving and preserving ecosystems. The way of life in these areas is recognized for combating biodiversity loss and, consequently, mitigating climate change.

However, certifications in Indigenous lands and local communities can bring both opportunities and risks, such as cultural dispossession; exploitation and inequality; environmental impacts (if an inadequate assessment certifies areas without ensuring effective biodiversity conservation); lack of necessary training to fully understand contracts (especially when they involve the commercialization of biodiversity credits); conflicts of interest between groups within the same community; legal risks (ensuring compliance with all national laws governing rights related to Indigenous Lands and similar territories).

Therefore, LIFE Institute recognizes the need to conduct a pilot test involving Indigenous lands and/or local traditional communities to ensure that these certifications are sustainable over time and generate a positive impact on these communities. The pilot will primarily focus on: respect and inclusion; validation of the assessment/certification model to ensure biodiversity conservation; capacity-building and empowerment of communities; risk minimization; transparency and trust; economic and social benefits for the communities.

Given this scenario, LIFE Institute informs that new certification processes in these areas (IPLC) will only be authorized after the completion of this pilot, which will result in a specific reference document containing particularities to be assessed during audits. The entire pilot will be guided by the global high-integrity principles for biodiversity credits, which Instituto LIFE adheres to.

We appreciate the understanding and support of all partners in this important initiative to preserve the environmental and social integrity of LIFE processes.

Sincerely,

LIFE Institute