BUSINESS PROPOSALS AND RECOMMENDATIONS FOR THE BRAZILIAN NDC

This document is the result of the partnership between Ethos Institute and associated companies, within the space of the Environment Working Group. Throughout 2021, the group established a collaborative construction process; this document presents proposals for adaptation and mitigation to the climate crisis based on the commitments made under the Paris Agreement, especially Article 4 on the constant increase of climate ambition. We understand that the commitments made by nations should be cascaded to the various levels of administration and sectors that make up society. For this reason, we present here the "Business Proposals and Recommendations for the Brazilian NDC".

Recently, the Intergovernmental Panel on Climate Change (IPCC) reported that we have already reached a 1.2ºC average increase in the Earth's temperature, within a predicted maximum possible limit of 1.5ºC. The target of 1.5ºC is very relevant because it is the largest temperature increase possible, as already exhaustively demonstrated by climate science, to avoid the point of no return for the climate and the progressive and interdependent destabilization of ecosystems, ensuring the maintenance of the quality of life on Earth. In this sense, rapid and precise action by all sectors of society is essential for us to keep the limit of global warming within viable levels for preserving life for present and future generations.

Aligned with the preamble of the section on adaptation measures of the 2016 NDC, we consider the adaptation, mitigation, and decarbonization actions a framework of purposes and achievements that will help the Brazilian business system to guide and recommend to the government the adoption of a pro-climate and pro-life action. Thus, we seek, as stated in the 2016 document, "*to build the resilience of populations, ecosystems, infrastructure, and production systems by reducing vulnerabilities or providing ecosystem services*".

This document, moreover, presents itself as a collaborative declaration, based on knowledge, technical expertise, and willingness to maintain actions to combat the climate emergency in a staggered, ambitious, and propositional perspective to strengthen the proposals of the 2020 Brazilian NDC. This NDC adds the social, economic, and environmental dimensions, in addition to the precepts of peace and broad popular participation, to the terms of sustainability and the search for the reversal of the climate emergency in Brazil and worldwide.

We present below a set of recommended mitigation and adaptation actions, which aims to guide and publicize the collective intentions of the signatories of this document. Whereas these are not only actions linked to the themes of environment and climate change, they intend to present more comprehensive indications for effective mobilization and composition of a dynamic ecosystem of action. In this mobilization, the proponent companies collaborate and help build a network to guarantee the rights to quality of life and avoidance of the *climatic point of no return*.

INSTITUTO ETHOS

ASSUMPTIONS & COMMITMENTS FROM THE BUSINESS SECTOR

As a contribution to efforts to reduce the global impacts of climate change, we present our assumptions, commitments, and recommendations by key themes.

Our premises are:

- The increased urgency of sustainable transformations in our business and productive activities.
- The expansion of our role in raising awareness, engagement, and broad dialogue with civil society, companies, governments, and other stakeholders, contributing to extend mitigation and adaptation actions for climate change in our territories of operation.
- Sharing among partners, evaluation metrics, continuous improvement processes and, whenever possible, sharing with the general public, studies, and publications on critical issues for the environment, sustainability, and climate change based on data and case records to qualify the debate in line with the ESG agenda.

Our commitments are:

GHG emissions

- To measure and reduce GHG emissions by increasing energy efficiency and aiming for zero emissions by 2030.
- To insert into the investment base carbon pricing and auditing of value chains to reduce emissions, expanding mitigation by sector, in a transparent manner.
- Annually disclose our emissions results.
- To develop decarbonisation plans that aim at a fair transition, promotion of green jobs, and income to the population.
- To support conservation actions in the biomes in which we operate, effectively contributing to the establishment and strengthening of a low-carbon economy.
- To eliminate products originating from deforestation or illegal exploitation from our production and commercialization networks.
- To seek information, promote internal studies on the carbon market and regulation of carbon credits, providing legal and tax security to companies that invest in projects and/or compensation.

Value Chains

- To maintain closer relationships with stakeholders and supply chains, encouraging the adoption of commitments and metrics to reduce emissions, and adaptation of organizational practices to human rights and sustainability guidelines.
- To adopt corporate policies and business management plans able to promote mitigation and adaptation to climate change in its direct operations and its chains.
- Guarantee the traceability of production chains and ensure the transparency of the impacts of its actions on society.

Sociobiodiversity

- To eliminate illegal deforestation in our production chains, in addition to working to reduce legal deforestation, promoting business models that value standing forest.
- To adopt corporate policies and a business management plan capable of promoting the sustainable use of natural resources and preservation of biodiversity.
- To ensure fair and sustainable trade in products and services in all market transactions.
- To strengthen local communities and suppliers, through training and the generation of employment and income, promoting positive social and economic impact in the region.
- To invest in research and development for the sustainable use of natural resources, foster the standing forest bioeconomy and nature-based solutions, recognizing and valuing the knowledge of traditional and indigenous communities - original and traditional peoples.
- To guarantee the traceability of the production chain and ensure the transparency of the impacts of its actions on society.
- To promote actions and financing initiatives for the promotion of sustainable agriculture that truly privilege small producers, rural family producers, and traditional and original peoples, and balance PRONAF (National Program to Strengthen. Family Farming) guidelines to attend to bioeconomy sectors.
- To include in the business strategy the appreciation of human rights in its activities, production chains, and communities of relationship, paying special attention to vulnerable groups and original and traditional peoples. When necessary, offer effective remediation mechanisms.
- To incorporate human rights guidelines into corporate policies and practices, linking them to quality of life and the right to environmental well-being.
- To ensure labor rights at all stages of its chain in line with the principles of decent work[1], adopting third-party audits or certifications of international validity, according to the industry in which it operates.
- To establish multisectoral dialogue to understand regional demands together with communities, companies, and local governments, promoting respect for human rights and seeking sustainable territorial development.

Advocacy and Public Policy

- To expand dialogue with the public sector at all levels of government, to keep discussions active and positively influence the political scheduling of relevant agendas.
- To get closer to and assist in discussions with local governments, making public policies to combat climate change more capillary.

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[1] [1] "[...] *concept central to the achievement of the SDGs, as defined by the United Nations, in particular SDG 8, which seeks to "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". Key aspects of decent work have also been broadly included in the goals of many of the other SDGs in the 2030 Agenda for Sustainable Development.*" Taken from: https://www.ilo.org/brasilia/temas/trabalho-decente/lang--pt/index.htm. Accessed on: Jan 25, 2021.

- To stimulate and participate directly in new funds and forms of financing for sustainable human and social development actions, stimulating the market to respond more rapidly to climate change.
- To search for other methodologies of implementation, evaluation, and control of adaptation actions to changes (vulnerability studies and action strategies).

RECOMMENDATIONS TO THE BRAZILIAN GOVERNMENT

Taking into account the alignment of this document to the 2016 NDC, we propose to the Brazilian government to maintain and evolve mitigation actions, such as:

GHG emissions

- To stimulate the reactivation and maintenance of the Emissions Data Transparency System per economic sector, strengthening the commitment to increasingly publish data from corporate systems for measuring decarbonization targets and encouraging the adoption of ESG systems that stimulate human development, compliance, and publication of sustainable targets.
- To encourage the publication of goals and results by sector, to provide the basis for public policies, planning, and budgeting to the government and companies.
- To invest in the development/financing of climate change resilient infrastructure.
- To aim for zero national emissions, through the establishment of public policies to support reductions in the energy, forestry, agriculture, industry, and transport sectors (with emphasis on the areas of mining, chemicals, cosmetics, pesticides, farming, extensive agriculture and natural products of renewable origin, advancing in relation to the recommendations of the 2016 NDC.

Suggested adaptation actions are:

Supervision and Transparency

- To expand and strengthen Brazilian environmental enforcement institutions to ensure control over the entire production chain of any given material, making data publicly broadly and transparently available.
- To carry out control and inspection of international trade in natural products, such as sempre-vivas of the Brazilian cerrado, in port regions (inspection program in port regions).
- To include in the environmental licensing policy, at federal and state levels, legal components to encourage the reduction of GHG emissions as a requirement for granting environmental licenses to entrepreneurs with a relevant degree of climate impact.

Communication and Education

- Clear communication of the policies and measures to be taken, collaborating with information and transparency for implementation of actions and even financial support from other countries.
- To carry out national information and awareness campaigns on the subject of "climate change", to engage more parts of the population and, consequently, strengthen social control in this area.
- To add Environmental Education and Sustainability topics in the syllabus of all school grades, with emphasis on the early cycles of elementary school, aiming at expanding socio-environmental awareness, conscious consumption, respect, and engagement of related themes.

Solid Waste

- To restructure the national policy for solid waste, to resume municipal projects for the disposal of household waste and the implementation of sanitary landfills, in addition to environmental education programs, to ensure the correct disposal of waste, while also ensuring the reduction of non-segregated disposal from households.
- To follow the recommendations of ABRELPE[2] - Associação Brasileira de Empresas de Limpeza (Brazilian Association of Cleaning Companies). Their latest report recommends that the disposal of USW (urban solid waste) be adapted and articulated with public health, natural resource conservation, and environmental protection goals.
- To maintain and adjust the urban cleaning service fees, avoiding revenue waiver and ensuring own resources for the construction of more appropriate destinations for urban waste.

DEFENSE AND REGENERATION OF THE FOREST AND OTHER THREATENED BIOMES

Concerning forests and other threatened biomes, we suggest the adoption of the following five emergency measures, to be addressed to the federal government:

- To implement the moratorium on deforestation in the Amazon.
- Tougher penalties for environmental crimes and deforestation.
- Immediately resume the PPCDAm - Action Plan for Prevention and Control of Deforestation in the Legal Amazon.
- To demarcate indigenous and *quilombola* lands and create, regularize, and protect Conservation Units.
- To restructure the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), Chico Mendes Institute (ICMBio), and National Indian Foundation (FUNAI).

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[2] 2 *Cf.* “Panorama dos Resíduos Sólidos no Brasil – 2020” [Panorama of Solid Waste in Brazil – 2020]. Retrieved from: https://abrelpe.org.br/panorama/. Accessed on: 25.10.2021.

In addition to these emergency measures, we suggest to:

- change the predatory relationship with ecosystems, promoting sustainable and eco-efficient agricultural production systems that do not depend on deforestation, respecting the territorial planning, monitoring and control of land use, and strengthening protected areas.
- foster the creation of a financing policy and the development of economic, fiscal, and tax norms and instruments capable of contributing to the fight against deforestation and to a low carbon circular economy, based on socio-environmental criteria, supporting the structuring of innovation for bioeconomy markets.
- develop stimulus packages for economic recovery from the effects of the COVID-19 pandemic based on socio-environmental criteria.
- suspend the registrations in the Rural Environmental Registry (CAR) affecting public forests and accountability for any illegal deforestation.
- update sustainability standards commonly adopted, for the Amazon specificity.
- act towards zero deforestation in the agricultural and cattle ranching sector.
- foster sustainable agriculture through differentiated financing lines, among other financial and non-financial tools, and through support for strategic sector planning via the Brazilian Development Bank (BNDES), Brazilian Micro and Small Business Support Service (SEBRAE), Brazilian Agricultural Research Corporation (EMBRAPA), etc.
- enable investments in basic infrastructure for social development, such as transportation, energy, internet, housing, sanitation, education, and culture.
- encourage projects aimed at economic development and conservation through assets and financial instruments with green backing, such as payment for environmental services (PES), CBIOs, and carbon credits.
- articulate the creation of a fund for local actors and leaders working on socioeconomic development projects in the region.
- attract investments that promote partnerships and the development of technologies that drive the bioeconomy.
- give special attention to indigenous populations in the Amazon, whose lands represent the best-preserved forest continuums in the region, ensuring maintenance of the rainfall regime in various local and regional climates of the country, playing a central role as protectors of essential ecosystem services to various chains of the national economy.