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Bulletin



**Chapter
Zero Brazil**
The IBGC Climate Forum

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Brazil in the global context: initiatives to enhance business

Since 2015, the climate issue has become more prominent with the Paris Agreement and it has accelerated the process of reducing greenhouse gas emissions into the atmosphere. Brazil has committed to the ambitious goal of reducing emissions by 37% by 2025 and by 43% by 2030, but has moved away from that goal in recent years. These targets would be very close to being met if deforestation in the Amazon were reduced.

In this context, companies have a great responsibility to assist in environmental preservation and it is up to the administrative board of companies to detect the risks and identify the numerous opportunities arising from this process. For this to happen, councils need to go through an educational process to improve their skills and understand the complexity of the environmental challenge from different angles and the need to change business models that degrade the environment.

“The carbon discussion needs to incorporate the theme of social inclusion. The combination of the relationship of climate issues with the issue of inequality is evident.”

Roberto Silva Waack, Visiting Fellow at Chatham House and business advisor

Deforestation and Agriculture in Brazil.

Unlike other countries, where most emissions come from the burning of fossil fuels, deforestation and agriculture are the major responsible for these emissions in Brazil. The main challenge is to end deforestation in the Amazon and Cerrado in this decade and start an immense forest regeneration project.

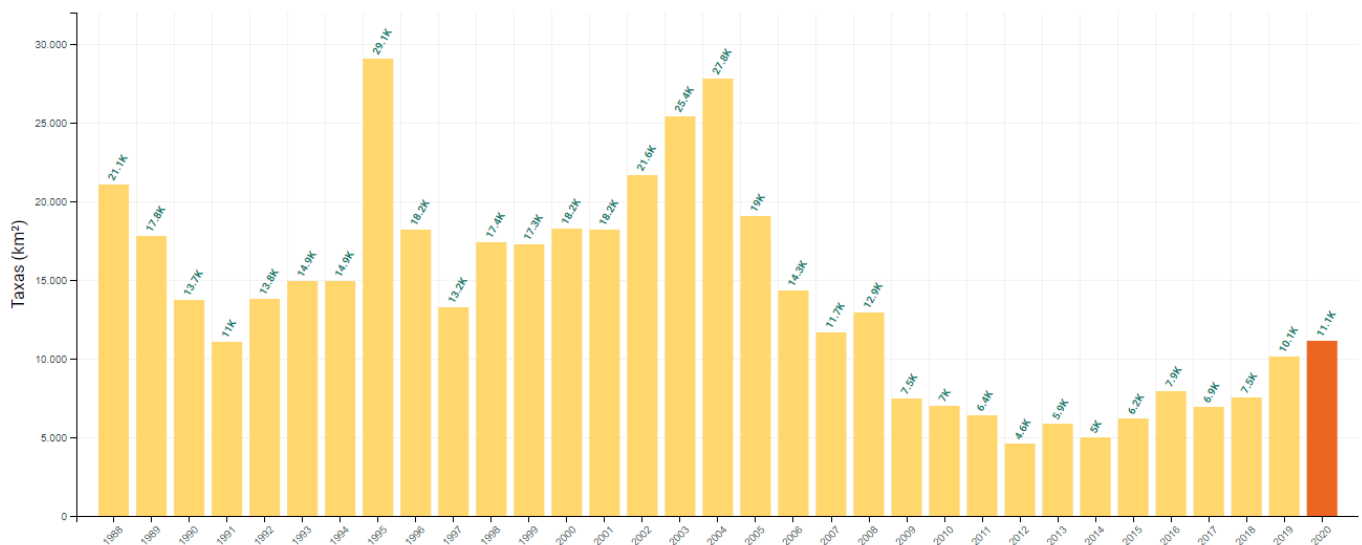
Considering that from 2004 to 2014 deforestation fell by about 75% and the production of soybeans and meat doubled, the productive increase of Agriculture is not necessarily linked to deforestation.

National and global markets play an important role in inducing productive agriculture to use the areas to increase productivity and not continuously expand commodity boundaries, showing that it is possible to preserve and produce.

“Innovation will allow us to reach these ambitious goals that we are putting ourselves ahead of.”

Sandra Guerra, Vale
Independent Advisor

Deforestation in Brazil



Source: http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/rates



Photo by João Tzanno on Unsplash

“We are witnessing a global awakening. We see that investors are voting with their money. They are buying more and more sustainable investments.”

Helle Bank Jorgensen, CEO and founder of Competent Boards and board member

The sustainability chain

The effort to fight climate change is being accelerated beyond government decisions. Investors are promoting transitioning to increasingly sustainable investments, consumers demand environmentally friendly products, and suppliers being more selective about who they will supply their inputs and products to, creating the industry's need to adapt and reinvent, treating sustainability as a priority strategy, and identifying opportunities emerging from this global movement.

Companies and society need to be prepared for more and more disruptions that directly and indirectly involve environmental issues, as well as consequences of decades of accumulated polluting activities that lead to risks such as natural disasters.

Externalities and business reputation

External factors can affect the company positively or negatively. The board knows the externalities broadly speaking, but it needs to be more deeply aware that factors within the entire production chain impact the business and require the company's accountability in the environmental factor. This externality is being more and more perceived by society.

It is absolutely central that corporate governance incorporates a broad view of externalities in their strategic planning a broad view of externalities and connects these factors to how much they affect the company's value. The relationship with stakeholders is vital to perceive and address, reduce, mitigate or compensate these externalities. Despite bringing greater complexity in the management of organizations, this positioning must be incorporated by councils in their relationship with stakeholders and with society.

“The survival of companies will depend on the correct view of climate change and the comprehension of how we will make this transition responsibly.”

Marina Grossi, president of the Brazilian Business Council for Sustainable Development (CEBDS)

The reaction to these externalities goes beyond risk. By reducing negative externalities, there is an opportunity to turn them into positive ones and create a new business model or a new company that considers the opportunities arising from environmental preservation. These changes must necessarily go through the administrative boards, which will play a critical role in the transition to more sustainable practices.

For these issues to be more widely disseminated, a strong communication, with an educational, ethical, and transparent role, is also important. The heterogeneity of the company's target audience should be considered, linking communication with accountability.

“The climate crisis is the biggest challenge mankind has faced in 10 thousand years.”

Carlos Nobre, climatologist, Doctor of Meteorology by MTI, and member of the World Academy of Sciences

Speakers

Moderator:

Marina Grossi, president of the Brazilian Business Council for Sustainable Development (CEBDS)

Panellists:

Professor **Carlos Nobre**, Earth System Scientist - Climatologist & Dr. in Meteorology by MTI. Member of the World Academy of Science and Brazilian Academy of Science

Roberto Silva Waack, Visiting Fellow at Chatham House and business advisor

Sandra Guerra, Independent Board Member of Vale

Helle Bank Jorgensen, CEO and founder of Competent Boards and board member