

COMMUNICATION OF ENGAGEMENT (COE) GLOBAL COMPACT

(31/01/2020 – 31/01/2022)

Period covered by this Communication on Engagement

from 31/01/2020 - 31/01/2022.

Summary

1. STATEMENT OF CONTINUED SUPPORT BY THE PRESIDENT
2. ACTIONS
3. RESULTS



STATEMENT OF CONTINUOUS SUPPORT BY THE PRESIDENT

For interested parties:

In October 2019, UNICA, União da Indústria da Cana-de-Açúcar, currently called “UNICA – União da Agroindústria Canavieira e de Bioenergia do Brasil”, submitted its application to join the Brazil Network of the Global Compact, and, in January 2020, with great enthusiasm, received the news of its effective adhesion to the instrument. Two years have since passed, with many challenges, especially considering the pandemic, and many actions taken.

In this Communication of Engagement (COE), we describe our actions to continuously support and promote the Global Compact and its principles. We are also committed to sharing this information with interested parties, using our main communication channels.

Finally, I am pleased to reaffirm UNICA's support for the United Nations Global Compact and our mission to promote corporate sustainability in the areas of Human Rights, Labour, Environment and Anti-corruption, and in particular to reinforce our commitment to clarify and share information on the significant contribution of the sugar-energy production value chain to fight climate change, both through the production of biofuels and bioenergy, and food production, ensuring the adoption of best environmental practices.

Yours sincerely,

Evandro Gussi
President & CEO

ACTIONS

In October 2019, UNICA submitted an application to join the Compact, and on January 31, 2020, the sugar and bioenergy sector represented by UNICA officially became a participant in the Global Compact through Brazil Network (Rede Brasil do Pacto Global - RBPG).

In this way, our actions began at the end of 2019, when we started the discussion on a common agenda, seeking to increase the sector's contributions in the fight against climate change, based on the positive externalities of ethanol biofuel, as well as on the bioenergy potential production, without compromising sustainable and sustained food production.

UNICA, with the support of a consultancy company, carried out an assessment of the sector's contributions to the SDGs, and this information was shared at COP25, resulting in the publication of the following article and video available on the UNICA website.

ODS_UNICA_Portuguese

ODS_UNICA_English



Objetivos de Desenvolvimento Sustentável (2015-2030)



PILAR ECONÔMICO



747 mil empregos diretos no setor sucroalcooleiro em 2018 (CAGED)

+ 20% aumento da renda média real no setor entre 2010 e 2018 (RAIS)

35 milhões de toneladas de açúcar produzidas em média entre 2014/15 e 2018/19 (maior produtor mundial junto com a Índia) (UNICA, 2019)

2,9 milhões de hectares fertilizados (ANA, 2019)

Adoção do cultivo mínimo e rotação de culturas

Suporte aos produtores para a adoção de práticas sustentáveis

PILAR ECONÔMICO



+380 unidades produtoras e mais de 1000 municípios com atividades vinculadas ao setor (MAPA; IBGE)

US\$ 40 bilhões de PIB gerados pelo setor, equivalente a 2% do PIB brasileiro (CEPEA-ESALQ/USP, 2017)

747 mil pessoas empregadas no setor em 2018 (RAIS, 2019)

US\$ 7,4 bilhões gerados em exportações do setor em 2018 (SECEX, 2019)

Proibição de práticas análogas ao trabalho escravo e infantil nos fornecedores de cana-de-açúcar

Respeito aos direitos e princípios fundamentais do trabalho

Proteção social

Constante diálogo social com as entidades sindicais profissionais, poderes públicos e associações de classe

Geração de emprego com qualidade

PILAR ECONÔMICO



↑ 382% na mecanização do setor: de 1221 colhedoras (2007/08) para 5.891 colhedoras (2017/18)

97% da colheita no estado de São Paulo será mecanizada em 2019/20 (CONAB, 2019)

	Processos Produtivos			Melhoramento da cana	
Investimentos em tecnologias	1. Aproveitamento de palha no campo e indústria	4. Biogás		1. Cana Energia	
	2. Drones	5. Cogeração		4. Mudanças pré-brotadas	
	3. Etanol 2G	6. Controle Biológico		5. Novos cultivares	
Investimentos em P&D	1. Centro de Tecnologia Canavieira (CTC)				
	2. Instituto Agrônomo de Campinas (IAC)				
	3. Laboratório Nacional de Biorrenováveis				

PILAR AMBIENTAL



33 bilhões de litros de etanol produzidos em 2018/19, com 31 bilhões na produção do Centro-sul (UNICA, 2019)

17,4% da matriz energética brasileira e 38,4% da energia renovável ofertada no país (BEN, 2018)

21,5 mil GWh de bioeletricidade ofertada para a rede energética nacional em 2018

13,9 mil GWh produzidos para atendimento ao auto consumo da indústria sucroenergética

Investimentos para a geração de biogás

PILAR AMBIENTAL



RenovaBio certificação da produção eficiente de biocombustíveis e geração de CBios

10,6 milhões de toneladas de CO2 eq. e 64 milhões de toneladas de poluentes atmosféricos evitados em SP desde a implantação do Protocolo Agroambiental com a eliminação da queima

7,3 milhões de toneladas de CO2 eq. evitadas por meio da geração de bioeletricidade

Compromisso de antecipação eliminação da queima de 2031 para 2017 para os signatários do Protocolo Etanol Mais Verde

↓ 43% no consumo de água das usinas signatárias do Protocolo Mais Verde em SP entre 2010 e 2019 (Fonte: Protocolo Etanol Mais Verde)

PILAR SOCIAL



Programas e iniciativas de promoção da saúde e bem estar

1. Ginástica laboral
2. Saúde ocupacional
3. Campanha de prevenção de doenças
4. Programa de segurança veicular

Campanhas sociais: agasalho, gestante e Natal

Campanha Doce Equilíbrio: promovida pela UNICA para qualificar o debate sobre o consumo de açúcar

Condução de avaliações de impactos na saúde e na segurança dos consumidores para a comercialização de açúcares às indústrias de alimentos

Atendimento às Normas Regulamentadoras do Ministério do Trabalho e Emprego, tal como a gratuidade no fornecimento dos equipamentos de trabalho e de proteção individual (EPI)

Referências bibliográficas

- ANA: <https://www.ana.gov.br/>
- CONAB: <https://www.conab.gov.br/>
- CAGED: <http://pdet.mte.gov.br/caged>
- CEPEA-ESALQ/USP: <https://www.cepea.esalq.usp.br/br>
- IBGE: <https://www.ibge.gov.br/>
- NOVACANA: <https://www.novacana.com/>
- SECEX: <http://www.mdic.gov.br/index.php/auditorias/3531-secretaria-de-comercio-exterior-secex>
- RAIS: <http://www.rais.gov.br/sitio/index.jsf>
- UNICADATA: <http://unicadata.com.br/>

Still in December 2019, UNICA and UN Global Compact Network Brazil (RBPG) participated in the same panel at COP25, in Madrid, to contribute to the discussion and promotion of the climate agenda and SDG 13.

(<https://unica.com.br/noticias/cop25-renovabio-e-uma-politica-de-desmatamento-zero/>)



During COP25, UNICA launched the #BringBackMyBlueSky campaign, highlighting the opportunity to reduce emissions by up to 90% with the use of ethanol, in comparison to fossil fuel.



(<https://unica.com.br/noticias/cop-25-unica-debate-qualidade-do-ar-em-eventos-da-cop-25-em-madri/>)

At the beginning of 2020, the Director of the RBPG, Marcelo Linguitte, was invited to participate in a meeting of the UNICA's Sustainability Committee, an opportunity in which, he presented the RBPG and its activities to the entity's members, seeking to engage them all. From this meeting, the interest of many members in the RBPG's agenda, as well as in joining it, was observed.

In 2020, representatives from UNICA's sustainability and institutional relations areas began to monitor and participate in the activities of two RBPG action platforms, namely Climate Action and Sustainable Agriculture.

Within the Climate Action Platform, in addition to participating in the agendas and discussions related to COP26, UNICA acted and contributed to the transport project promoted by Scania. The project resulted in the launch of a study/survey still in 2022 **on the multiple routes for a net zero commercial road transport 2050.**



It is worth noting that during COP26, UNICA reinforced that ethanol is part of the solution towards the adoption of a more sustainable energy matrix through the **“We are part of the solution”** campaign, as well as producing various digital materials, having participated in panels at the Brazil space and in other spaces, where he had the opportunity to share the Brazilian experience in relation to ethanol, together with relevant actors from the automotive sector, namely, the CEO of Volkswagen for Latin America, Mr. Pablo Di Si, and CEO of Toyota Brazil, Mr. Rafael Chang.

COP 26



Painel 1 – 03/11/21

Link in Portuguese - <https://www.youtube.com/watch?v=cPW-Gfc11CA>

Link in English - <https://www.youtube.com/watch?v=jm5EPT2cGWQ>

Painel 2 – 04/11/21

Link in Portuguese - <https://www.youtube.com/watch?v=Qj3u6keJlxl>

Link in English - <https://www.youtube.com/watch?v=Qj3u6keJlxl>

Also during COP26, UNICA, that holds the Presidency of the Environmental Chamber of Climate Change of CETESB (Environmental Agency of the State of São Paulo), participated in the event that marked the launch of the study that compiled 56 successful cases in favour of tackling climate change, in which, it is worth highlighting the fact that, RenovaBio, as a national public policy, was part of that list.

UNICA participated in the Carbon Pricing workshop held in November and December 2020, with two representatives, who also participated in virtual UN Global Compact events throughout the year, such as High-Level Talks in September 2020, with the participation of Mr. Pavan Sukhdev.

Another action in line with UNICA's commitment to promote corporate sustainability was the coordination of a customized workshop, by the renowned education and research entity, Fundação Getúlio Vargas (FGV), on “ESG Training for the sugar-energy sector” in May 2021, which was attended by more than 30 participants from the sector. The workshop was a success and we envisage the possibility of new classes in the future.



Since 2020, on the Sustainable Agro Platform of RBPG, we have followed the meetings and participated in the Sustainable Finance Committee, whose scope is to elaborate and promote a guideline on how to access financing and credit for small and medium-sized producers, exploring opportunities generated by certifications and existing incentives on the part of the financial sector in this regard. The expectation is that in 2022 this committee will launch the guide and promote a series of webinars on the subject.

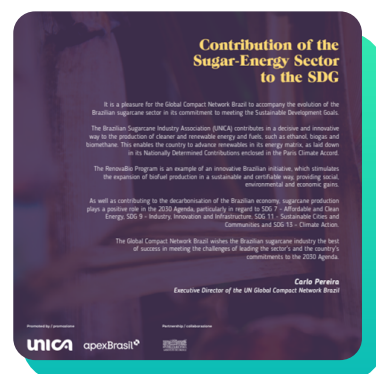
In March 2021 we sent contributions on the RBPG strategy for the coming years 2021-2023.

In April 2021, the RBPG represented by its Head of Projects and its Coordinator of the Sustainable Agro Platform have written an article **“Renovabio and the UN 2030 Agenda”** that was published on the international blog of the Sugarcane.org website, developed by Unica and Apex Brasil with a focus on international audience.

It is worth noting that, in early 2021, UNICA began important internal work to strengthen transparency, ethics and anti-corruption efforts, reviewing its internal policy and creating mechanisms and reporting channels. All information about it is available on its website.

(<https://unica.com.br/codigo-de-etica/>)

Finally, in the second half of 2021, UNICA prepared a publication to disseminate good practices in the sector and reinforce the sector's contribution to the SDGs, initially in Italy and later in other countries. As an integral part of this publication, the Executive Director of RBPG, Carlo Pereira, was invited to write its opening letter, reinforcing the relevance of the sugar-energy sector for the promotion of bioenergy, cleaner and renewable fuels, its contribution to the SDGs, such as SDG 7 – Affordable and Clean Energy, SDG 9 – Industry, Innovation and Infrastructure, SDG 11 – Sustainable Cities and Communities and SDG 13 – Climate Action. In the letter, he also highlights the Renovabio program, which is an example of an innovative Brazilian initiative that encourages the expansion of biofuel production in a sustainable and certifiable manner, with social, environmental and economic gains. This publication is in the final design phase and should be published in 2022.



Unfortunately, the pandemic prevented many meetings and face-to-face events from taking place, but between October 3rd and 9th, 2021, UNICA participated in person in the first week of Expo Dubai 2020, with a focus on climate and biodiversity, where we have presented that **“we are part of the solution”**, following all sanitary requirements and guidelines of the Exhibition.

We used the same theme for COP26, in Glasgow, Scotland, where our CEO Evandro Gussi participated in person, and we had opportunities to share the Brazilian experience on ethanol, RenovaBio and recent innovative partnerships with the automotive sector, in order to globally promote automotive technologies for sustainable mobility based on ethanol and hydrogen, such as the flex vehicles, flex hybrid and fuel cell vehicles, as already presented in this report.

We also hosted the “Sustainable Mobility: Ethanol Talks India II” event virtually (**day 1** and **day 2**) in November 2021, continuing the dialogue started in 2020 in India on sustainable mobility and the role of ethanol as part of the solution. India has a very high rate of pollution and is at the top of the pollution ranking. In June 2021, the Indian government announced a roadmap for the implementation of ethanol, with the objective of reducing emissions and pollution, based, among other things, on the successful Brazilian experience. More information about the event on the website: <https://www.ethanoltalks.com/india/> .

During the event, UNICA launched an **e-book on ethanol blending policy**, with the aim of clarifying recurring technical doubts on the subject, showing that the high blending of ethanol in gasoline, as in Brazil, 27% (E27) already has potential to contribute to the reduction of CO₂ emission and pollution.

Little by little, we are increasingly active and engaged in this agenda, in partnership with UN Global Compact.



RESULTS

In this first cycle, impacted by the pandemic, it was possible to introduce the UN Global Compact Network Brazil (RBPG) to our members and tease their curiosity and interest regarding the RBPG agenda and potential membership to it. We have at least 1 member who is a CORB member of the RBPG, 1 member who joined the RBPG in 2022 and at least 2 more members evaluating interest in joining it in the future.

Regarding engagement activities with RBPG, as described above, we have participated in the meetings of the two main platforms, Climate Action and Sustainable Agro, both of which we have participated in specific project committees, as well as workshops and webinars. We also contributed by sharing our experiences and supporting the dissemination of information and actions among our members.

As mentioned in this report, we carried out several actions in Brazil and abroad, promoting the SDG agenda, especially SDG 13, focusing on the role of ethanol in the decarbonization of transport, in line with our commitment to the UN Global Compact. In addition, we had the positive result of the implementation of the RenovaBio program, with 100% engagement of our members and all information about the program and its results are available on the website <https://observatoriodacana.com.br/listagem.php?idMn=142> .

More information about our activities can be found on our website in Brazil (<https://unica.com.br/>) and abroad (<https://www.sugarcane.org/>).