

COMUNICACION ON ENGAGEMENT (COE) GLOBAL COMPACT

UNICA – União da Indústria da Cana-de-Açúcar e Bioenergia
(01/02/2022 – 01/02/2024)

Period covered by this Communication on Engagement

This Communication on Engagement (COE) refers to the period of 01/02/2022 a 01/02/2024.

Summary

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

1. STATEMENT OF CONTINUED SUPPORT FROM THE PRESIDENT

For interested parties:

UNICA – The Sugarcane and Bioenergy Industry Association completed four years of partnership with the Global Compact Brazil Network (Rede Brasil do Pacto Global - RBPG), since January 2020, when its membership was made official. With great enthusiasm, we share here our second Communication on Engagement (COE), where we outline key 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.

I am also 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, Labor, Environment and Anti-Corruption, and reinforce our commitment to clarify and share information about the significant contribution of the sugar and bioenergy production chain to the context of climate change.

Finally, it is worth noting that a survey carried out by the International Energy Agency (IEA) predicts that the demand for bioenergy will triple in the coming years, and biofuels will play an important role in this context, contributing to emissions reduction in land, air and sea transportation. Brazil uses only 1% of the entire Brazilian territory to produce ethanol from sugarcane and corn, following the FAO model of integrated food and energy production ([IFES – Integrated Food and Energy Systems](#), in English) that promotes the production of energy and food considering the application of best practices, in an integrated approach.

Yours sincerely,

Evandro Gussi
President & CEO

2. ACTIONS

Since 2020, representatives from UNICA's Sustainability and International Relations areas began to follow and participate in the activities of two RBPG action platforms, namely Climate Action and Sustainable Agriculture, and continue to this day.

On the Sustainable Agriculture Platform of the RBPG, since 2020, we have followed the meetings and participated in the Sustainable Finance Committee, which, as planned, carried out the launch the [Guideline for Sustainable Finance](#) in May 2023, to which we have contributed. At the launch, Unica's International Relations Coordinator, Julia Tauszig, participated in a panel presenting the sector's case about the Renovabio program, which is included in the guide.

In the Climate Action Platform, in addition to participating in the agendas and discussions related to the COPs, UNICA participates in the Biofuels and Electrics Hub, which refers to a second phase of the [study](#) carried out by Scania and Pacto, reported in the first COE, focusing in actions to promote the decarbonization of commercial road transport. This forum was restored this year, in 2024, and has held meetings to advance collective actions to support this agenda.

It is worth highlighting that during COPs 27 and 28, UNICA reinforced the role of ethanol as part of the solution for decarbonizing transport and sustainable mobility. Below, link to articles about our participation in the COPs as well as a link to the panel we organized at COP28 on 11/01/2023 in Dubai.

COP27

Article in Portuguese:

<https://unica.com.br/noticias/unica-apresenta-na-cop27-oportunidades-do-brasil-em-bioenergia/>

COP28

Panel: Bioenergy and energy transition in the context of the Global Biofuels Alliance (GBA)

Event in Portuguese: <https://apexbrasil.com.br/content/apexcop/br/pt/home/agenda/01-1-1630.html>

Article in Portuguese: <https://unica.com.br/noticias/mundo-precisa-ofertar-3-vezes-mais-biocombustivel-ate-2030/>

Also during COP 27, UNICA, serving as president of the Environmental Chamber on Climate Change from CETESB (Companhia Ambiental do Estado de São Paulo) , has participated in the

launch of a [publication](#) that presented success stories in the climate agenda. The edition, launched during COP 27, featured 91 initiatives, highlighting the results of the Agro-Environmental Protocol for the Sugar-Energy Sector – Greener Ethanol, as well as several cases presented by mills associated with UNICA.

In January 2023, UNICA joined the Global Compact Platform “Action Against Corruption”, an important space for the development of projects, the promotion of constructive dialogues and the exchange of experiences, mobilizing the participants, people and companies, to understand risks and opportunities in combating corruption, and building a peaceful and sustainable society.

We continue to promote internationally the benefits of ethanol over fossil fuels, contributing to the reduction of GHG emissions. Ethanol can reduce up to 90% of CO₂e emissions when compared to gasoline. Since 2003, when the flex-fuel car was launched in Brazil, the use of ethanol has contributed to the reduction of 660 million tons of CO₂eq and in this period Brazilian people have saved more than R\$110 billion with the use of this biofuel.

Ethanol Talks



Since 2022, we have held 5 more editions of the Seminar [Sustainable Mobility: Ethanol Talks](#), especially in markets with a vocation for ethanol production such as Asia and Latin America. Among them, Argentina, Costa Rica and Guatemala, the latter of which, announced an increase in the ethanol blending in the gasoline to 10% from 2024 onwards. We also held editions in Indonesia and a special edition in India, within the scope of the G20.

During the event in Indonesia, the country's Minister of Energy and Mineral Resources, Arifin Tasrif, has announced that Indonesia will continue the ethanol blending program in gasoline as part of the strategy to reduce emissions (by up to 32%) and increase consumption of biofuel and the mixture of ethanol in gasoline (from 5% to 10% in 2023).

During the special edition of the Ethanol Talks seminar in Goa, India, on the week dedicated to energy at the G20 ministerial meeting on energy transitions, the Minister of the Brazilian Ministry of Mines and Energy, Alexandre Silveira, announced that Brazil will be the first country in the world to create a policy based on the life cycle of fuels, which in 2024, has become a reality with the bill "[Combustível do Futuro](#)", (Fuel for the Future, in English), which aims to expand sustainable low-carbon mobility in Brazil, including Sustainable Aviation Fuel (SAF) and biomethane. Additionally, the Brazilian government has announced in December 2023, the [programa nacional de Mobilidade Verde e Inovação \(Mover\)](#), (National Programme on Green Mobility and Innovation, in English), which expands the sustainability requirements of the automotive fleet and stimulates the production of new technologies in the areas of mobility and logistics, expanding the old Route 2030.

Here, more about the Ethanol Talks:

Guatemala (Maio/2022)

<https://www.ethanoltalks.com/guatemala/>

<https://unica.com.br/noticias/brasil-e-guatemala-estreitam-cooperacao-para-uso-do-etanol/>

Argentina (Agosto/2022)

<https://www.ethanoltalks.com/argentina/>

<https://unica.com.br/noticias/brasil-e-argentina-dialogam-sobre-beneficios-do-etanol/>

Costa Rica (Março/2023)

<https://www.ethanoltalks.com/costarica/>

<https://unica.com.br/noticias/brasil-e-costa-rica-debatem-politicas-para-o-etanol/>

Índia Edição Especial G20 (Julho/2023)

<https://www.ethanoltalks.com/india-special-edition/>

<https://unica.com.br/noticias/projeto-cria-cenario-para-alavancar-mobilidade-sustentavel/>

Indonésia (Outubro/2023)

<https://www.ethanoltalks.com/indonesia/>

<https://unica.com.br/noticias/brasil-e-indonesia-promovem-dialogo-sobre-etanol/>

Launch of the Global Biofuels Alliance (GBA)



Finally, our global effort gained strength with the launch of the Global Alliance for Biofuels within the G20 in September 2023, which took place in India, in a ceremony parallel to the G20 Summit, with the presence of President Luiz Inácio Lula da Silva. This was a historic milestone towards decarbonization, and the recognition that ethanol is crucial in the energy transition. Therefore, with all the experience and cutting-edge technology, there is the opportunity to take on the leadership of this Alliance that already has the USA, India and 19 other countries and 12 international organizations as part of it.

More about the GBA:

<https://www.gov.br/mme/pt-br/assuntos/noticias/alexandre-silveira-comemora-alianca-global-para-biocombustiveis-e-destaca-sua-importancia-para-uma-mobilidade-sustentavel-e-transicao-energetica>

In addition, decarbonization in aviation with sustainable aviation fuel (SAF) has also been a priority on our agenda as ethanol is part of the Alcohol-To-Jet (ATJ) route and has great potential to contribute to emission reductions. of this sector. IATA, (International Air Transport Association), estimates that SAF could contribute approximately with 65% of the emission reductions needed in aviation by 2050. Today we already have at least 4 associated with raw material certified by ISCC Corsia for the production of SAF, and other members under ongoing certification process. There is also in the USA, since January 2023, [the approval by the Environmental Protection Agency \(EPA\)](#) for the use of Brazilian sugarcane ethanol for the production of SAF by the company LanzaJet, therefore an official recognition of the emission reduction potential of our ethanol.

3. RESULTS

In this second cycle, it was possible to move forward with the agenda of interest, especially related to climate.

In terms of Unica members joining the RBPG, we have made progress in the last two years. While in the first CoE we have reported the membership of 2 of our associates to the Global Compact Brazil Network, we currently have at least 5 of our associates in the RBPG in Brazil (Atvos, BP Bunge, FS, Raízen and São Martinho) and 1 associated member with membership in Europe (Tereos).

Regarding engagement activities with RBPG, as described in this report, we have participated in the meetings of the two main platforms that we follow, Climate Action and Sustainable Agriculture, both of which we have participated in specific project Committees, (respectively Hub Biofuels and Electrics, and Sustainable Finance) as well as workshops and webinars. We also have been contributing by sharing our experiences and supporting the dissemination of information and actions among our members.

We have carried out several actions in Brazil and abroad, promoting the SDG agenda, especially SDG 13, focusing on the role of ethanol in decarbonizing transport, in line with our commitment in the RBPG. We also have joined the Global Compact Platform “Action Against Corruption”.

The main results of our commitment to this agenda are the launch of the Global Biofuels Alliance within the scope of the G20, in September 2023. In addition to our operations in the domestic market, we have been actively participating in public hearings and consultations to ensure progress in expanding the legal framework related to the decarbonization of mobility with the Future Fuel Bill and the Mover Program. It is worth mentioning that we have also been actively following the discussion on the establishment of [the Brazilian Emissions Reduction Market](#).

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