

Latin America in Focus

2021 Activity Report



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Introduction

CDP Latin America in Focus, the 2021 institutional activities report, has a new layout that consists of three parts. This report will present the region's progress and accomplishments in line with CDP's key action pillars:

- ▼ **Disclosure:** The way authorities and respondents work together for more environmental data transparency through the CDP platform, respondents' progress and the organizations leading on environmental disclosure;
- ▼ **Insight:** Gathered data becomes knowledge and influences several players through training, publications and events that aim to share findings, foster understanding of environmental impacts and encourage responsibility; and
- ▼ **Action:** With a deeper understanding of the problems associated with climate change, we create engagement through initiatives that can mobilize the economy, and articulate these to regulation agencies, governments, and media to catalyze action.

As well as presenting the result indicators of CDP Latin America from 2021, this report's new structure integrates the work that has been conducted with different society players. Both individually and in coordination with the others, these players have a key role in promoting transparency, spreading knowledge, and fostering concrete and ambitious environmental actions. Our e-mail info.la@cdp.net is available for whoever wishes to share their suggestions and comments on our performance and on this report. We are committed to talks with parties interested in pursuing continuous improvements in our communication and management.

▼▼
**promoting
transparency,
spreading
knowledge, and
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and ambitious
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actions.** ▼▼

Letter from the Board of Directors

2021 was represented by overlapping complex events in the socio-environmental field, which exposed the moment of climate emergency and its interconnections with other key themes for human survival and wellbeing, such as health, justice, biodiversity, and many others. In the climate sphere, we have had the launch of critical reports developed by IPCC, the creation of the new ISSB (International Sustainability Standards Board), the IFRS Foundation and COP26, conducted late in the year in Glasgow, Scotland. CDP's goal was to discuss the alerts the report has raised, address further urgent environmental issues, reiterate the goals of limiting the global temperature rise to 1.5°C and reduce carbon emission to zero by 2050. A challenging, but feasible goal.

We can observe that awareness of sustainability and green economy issues has been raised through initiatives aligned with the Green Recovery – an initiative for post-pandemic investments to be made in sectors that cause less impact on the environment, as well as to focus on new endeavors that aim to help and fight climate change – in a way that the economic recovery can be aligned with market practices that are beneficial to nature. At the same time, throughout the

year, the Latin America region experienced complex events in terms of sustainability, such as fires in Brazilian biomes and exorbitant deforestation in the Amazon and the Tropical Scrubland.

This has also been a remarkable year when it comes to the record numbers of reports made to CDP. More than 14,000 organizations worldwide disclosed through CDP in 2021, among which, more than 13,000 companies represent more than 64% of the world market's capitalization. This represents an increase of 37% from the number of disclosing organizations in 2020, and 135% from 2015, the year governments signed the Paris Agreement. In addition to this, more than 1,200 cities, states and regions disclosed environmental data in 2021. Already the largest global source of environmental data in the world, CDP plans considerable growth by 2025, aiming to cover 90% of the companies with the highest environmental impact in the world.

There was an 11% increase in the number of Latin America companies that have made it onto the CDP A List, and for the first time a company in the region was awarded a Triple A, which means an organization has reached top grades in all three assessed categories: climate change, water

security and forest security. Twice as many Latin American cities were leaders in data transparency in 2021, three times as many investors requested companies to report their data to the CDP for the first time, the adherence of financial institutions to the Science Based Targets (SBT) campaign increased eightfold, and the first online training on the Task Force on Climate-related Financial Disclosures (TCFD) in the market was launched, completely free of charge, online and accessible in the Colombian sign language.

In addition to this, achievements have been made in the field of public policies. At COP26, CDP was responsible for arranging five events and collaborated with the organization of seven others. The Latin American team responded to five public queries, contributing to the development of public policies and financial regulations. A total of 2,269 companies, states and regions in Latin America disclosed data through CDP, representing a 32% increase compared to 2020. CDP Latin America has worked hard to optimize its services, projects, and communications so it can grow even more through 2022.

Furthermore, as a guide to CDP's next steps, a new global strategy has been presented, Accelerating the Rate of Change 2021-2025, which sets the goal for CDP to develop its systems and processes to support the accountability of companies, cities, and governments with more transparency. In addition to being the largest global source of environmental data, CDP plans to achieve considerable growth by 2025. This is the time to redesign practices, in addition to planning and carrying out striking actions for a better and more sustainable future for everyone.

To stay up to date with all CDP Latin America news, follow us on our social media and keep an eye on our website.

– Rebeca Lima, Executive Director





About CDP Latin America

CDP was founded in 2000 by three British friends in the financial industry, who saw the need for the capital market to have access to quality environmental information to guide decision-making processes when investing and use the power of capital to catalyze change. Over the last two decades, CDP disclosure has expanded to other regions, other players, and other planetary borders.

CDP physically expanded its activities to Latin America in 2010, with its first headquarters near the city of Sao Paulo, in Brazil. Although it was originally focused on investors and companies in the G20 region countries (Argentina, Brazil, and Mexico), the office has expanded its operations to engage other players throughout the 20 countries that make up the region. The CDP Latin America office currently has an active network comprised of more than 37 investors, representing US\$2.1 trillion in assets; more than 23 important buyers, which engage more than 4,700 suppliers worldwide; and 297 cities and 41 states, in addition to its partners. We have more than 45 people, mostly in Sao Paulo, but we also have employees in other strategic countries, such as Mexico and Colombia.

45

Collaborators

297

Cities

37

Investors

41

Regions

4.700

Providers

23

Big buyers

One of CDP Latin America's main challenges is to effectively mobilize investors, companies, cities, states and governments to accelerate the rate of the transition to a truly sustainable environment for the people and for the planet amongst its vast extension and cultural plurality. We are responsible for the area from Mexico to the Tierra del Fuego, in the southernmost point of America, which covers a total of 20 countries. This is approximately 20.5 million Km², that is, 13.7% of all land on the globe. And it is populated by about 667 million inhabitants. According to the World Bank, this region also has the largest quantity of freshwater on the planet and approximately 37% of its total surface is covered with forests: there is 9.3 million Km² of vegetation in Latin America (World Bank - 2020).

We are an organization guided by its **vision, mission and values** that support our purpose and guide us on how to operate, to communicate and to develop.

They capture the essence of who we are and who we want to be. They shape our organizational culture and guide our way of working.



Vision

A prosperous economy that works for people and for the planet on the long term.



Mission

We focus on investors, companies, cities, and governments, on the construction of a truly sustainable economy, measuring and acting on environmental impacts.

- ▶ Reducing emissions according to a path of 1.5°C.
- ▶ Recovering the ecosystem's health.



Values

Our standard is transparency

- ▶ We are open, even if it feels uncomfortable.
- ▶ We build trust through clarity and honesty.
- ▶ We share quality information effectively and at the right moment.

We prioritize accountability

- ▶ We set roles, responsibilities, and goals clearly and, after that, we train people to act.
- ▶ We support one another and hold one another accountable.
- ▶ We lead by example.

We learn and improve

- ▶ We are brave to seek and provide constructive feedback.
- ▶ We consistently take our time to revise and improve.
- ▶ We learn from our mistakes for the benefit of our mission as well as for our own benefit.

We seek success together

- ▶ We lead with enthusiasm, empathy, and passion.
- ▶ We create an inclusive and equitable culture amongst teams and time zones to accomplish our mission.
- ▶ We are curious and open-minded to receive several ideas and perspectives.



CDP Latin America is part of CDP Worldwide, a holding company of CDP System, which has been registered in England and in Wales as a charity institution under the Charity Commission for England and Wales since January 15, 2008.

With their headquarters in Brazil, CDP Latin America is registered as an OSCIP, a Civil Society Organization of Public Interest, and from Sao Paulo, it operates in the whole region, as well as with employees in other countries, such as Colombia and Mexico.

Leaderships



Rebeca Lima
Executive Director



Functions team



Juliana Ogawa

Finance & People
Senior Manager



Lais Maciel

Development
and Projects
Senior Manager



Brenda Couto

Communications
and Marketing
Coordinator



Stakeholders team



Miriam Garcia

Policy Senior
Manager



Lais Cesar

Business
Development
Senior Manager



Andreia Banhe

Cities, States and
Region Senior
Manager



Isabele Goulart

Project Manager



Maria Vitória Cândido

Development
Manager



Fernanda Coletti

Corporate
Engagement
Manager



Caio Monaco

Operations and
Product Manager

Board of Directors

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Executive Director – CDP Latin America
- ▼ **Paul Simpson**
CEO – CDP Worldwide
- ▼ **Simon Baker**
Finance director – CDP Operations

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Board Chairman
- ▼ Marcos Assi
- ▼ Fabio Silva
- ▼ Alexandre Pinto
- ▼ Alexandre Muriel
- ▼ Quarthero Martim

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Board Chairman
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- ▼ Keite Bianconi
- ▼ Celio Fernando B. Melo
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- ▼ Rafael S. Mingone
- ▼ Cesar Tarabay Sanches
- ▼ Marcelo Seraphim
- ▼ Caroline Guarnieri de Paula do Nascimento
- ▼ Marco Antonio Fujihara
- ▼ Henrique Leite de Vasconcellos
- ▼ Patricia Coimbra
- ▼ Gabriela Goulart Ferreira
- ▼ Roberto Sousa Gonzales
- ▼ Rodrigo Perpetuo

Finances

| CURRENT ASSETS | 2021 | 2020 |
|------------------------------|--------------|--------------|
| Cash on hand and equivalents | 3,802 | 3,559 |
| Receivables | 1,243 | 168 |
| Advances | 4 | 11 |
| Returnable taxes | 26 | — |
| Total current assets | 5,075 | 3,738 |

| NON-CURRENT ASSETS | 2021 | 2020 |
|---------------------------------|--------------|--------------|
| Net fixed assets | 6 | 8 |
| Intangible assets | 1 | — |
| Total non-current assets | 8 | 8 |
| Total assets | 5,082 | 3,746 |

| CURRENT LIABILITY | 2021 | 2020 |
|--------------------------------|-------------|-------------|
| Payables | 60 | 6 |
| Labor bonds | 412 | 374 |
| Prepaid income | — | 32 |
| Total current liability | 472 | 412 |

| NET EQUITY | 2021 | 2020 |
|---------------------------------------|--------------|--------------|
| Capital stock | 3,331 | 1,705 |
| Fiscal year surplus | 1,279 | 1,629 |
| Total net equity | 4,610 | 3,334 |
| Total liability and net equity | 5,082 | 3,746 |

Accelerating the Rate of Change – A New Strategy for 2025

Since its foundation, CDP's organizational strategy has evolved from a climate change-focused agenda into one that also understands water and forest security in order to aid investors and companies through their decision-making processes more effectively. As the organization has expanded, CDP has incorporated governing bodies, cities, states, and regions into its scope of practice. Within this expansion scenario, our latest strategy: "ACCELERATING THE RATE OF CHANGE CDP STRATEGY 2021–2025" has been launched with the goal of developing a more sustainable economy. The goal of this new strategy is to engage more deeply with an even larger number of varied stakeholders, by setting attainable but ambitious goals, and expanding to cover other planetary borders.

CDP's work processes are guided by three pillars: Disclosure, Insight and Action. The strategy has eight focuses with the goal of accelerating the rate of processes for a more sustainable economy within the next five years. The work areas are:

- ▶ **Expanding our scope to cover all planetary borders;**
- ▶ **Tracking and scoring transition processes according to science-traced metrics;**
- ▶ **Enhancing the influence of our system to achieve new global players;**
- ▶ **Enabling higher political ambitions through actions;**
- ▶ **Using our platform to set standards;**
- ▶ **Catalyzing actions based on the characteristics of the places;**
- ▶ **Implementing transparency and reducing complexity with technology support;**
- ▶ **Improving social and governance metrics in our platform.**

CDP constantly aims to improve our processes to conduct our activities as rigorously as we can by keeping transparency, accountability and by being in line with the best available science as our organization's essential aims. Our goal is to engage as many players as we can in order to seek greater climate ambitions, as well as other environmental agendas to foster a prosperous economy that works for the people and for the planet.

Disclosure

Authorities

Several authorities endorse CDP's request for information to organizations. In 2021, there were 20 new investor signatories in the Latin American region, which represents a 53% increase compared to the previous year. These signatories account for more than US\$1.5 trillion in managed assets, which creates greater engagement with companies by 31% through participation in campaigns such as: NDC (Non-Disclosure Campaign), SBT and Forest Champion.

In addition to investors, CDP also relies on buyers that mobilize their supply chain, not only to acquire data, but also to foster collaboration and concrete actions towards environmental impact reduction within the value chain. This year, the region had 23 Supply Chain members, engaging more than 4,700 suppliers worldwide, with an average engagement rate of 65%.

When working with cities and states, CDP forms alliances with organizations and local acting coalitions, including the International Council for Local Environmental Initiatives (ICLEI), C40, Worldwide Fund for Nature (WWF), GCoM, the Climate Group, Regions4 and ABEMA, in addition to campaigns that have the support of Race to Zero and Race to Resilience from the United Nations Framework Convention on Climate Change.

These organizations support transparency by using CDP-ICLEI Track as the recommended platform to disclose environmental and climate data.

New strategy: Disclosing to foster transparency

- ▶ Broadening the scope of environmental issues our system covers in order to include nature, biodiversity, and planetary borders.
- ▶ Fostering the coverage of other parts of the system, by diversifying the disclosure leverages to other regulatory and market players.
- ▶ Clarifying matters regarding disclosing performance according to metrics based on the latest science and market needs.
- ▶ Making information available more quickly for a broader group of interested parties through scoring, data sets, insights, and benchmarking.
- ▶ Enabling verification and validation through exchange with other data sets and third-party verifications.

Responders

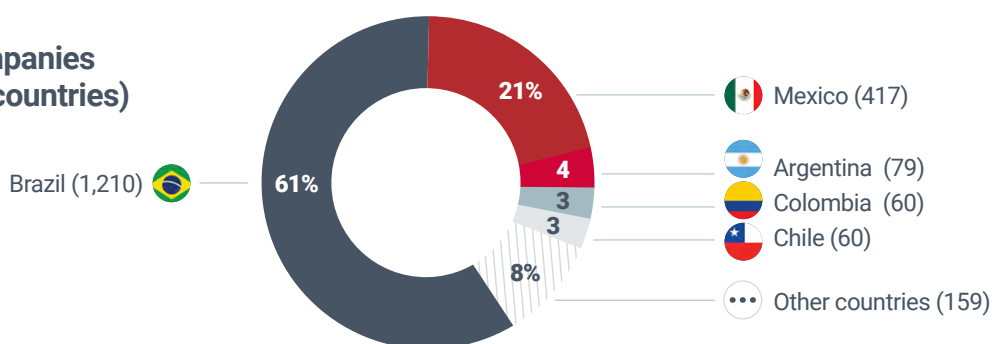
Based on the effort of these authorities, both on a regional level and global, it has been possible to achieve more than 2,000 responder organizations for the region, out of which **1,985 are companies, 297 are cities and 41 are states.**



Companies

1985 companies disclosed their environmental data through CDP questionnaires in 2021 in Latin America, which accounts for approximately **49% of the local market capitalization and 62% of the Brazilian market capitalization.** The responder companies in the region are divided amongst the following countries and sectors:

Companies (by countries)



Companies (by sectors)



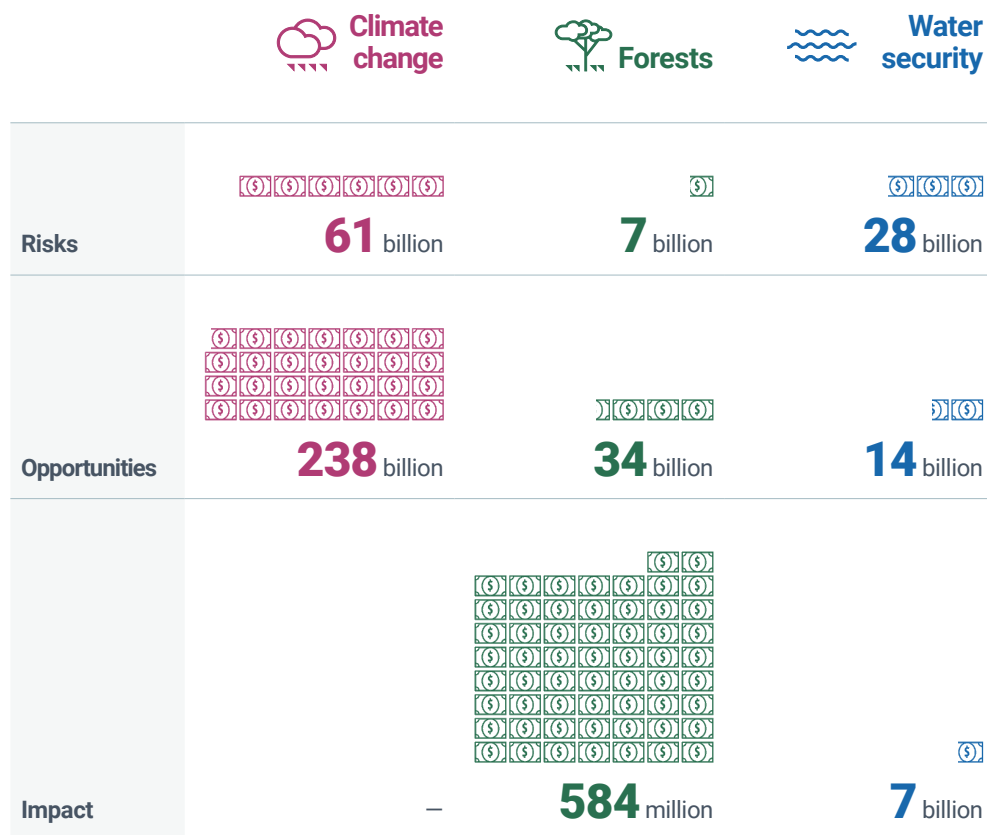
Out of all the companies that have responded to CDP Latin America questionnaires in 2021, **205 companies reported data to CDP investor signatories.** Of these, 118 are located in Brazil (57%), Mexico (20%) and Chile (7%), while the remainder are based in the other Latin America countries. The main represented sectors were: Services (21%), Materials (11%) and Infrastructure (10%).

In addition to the companies that have reported their data to investors, **1,853 have reported their data to their clients**, members of the Supply Chain program. Out of these companies, 1,163 are located in Brazil (62%), Mexico (21%) and Argentina (4%), and the main sectors represented in the sample are: Manufacturing (27%), Services (19%) and Food, beverages, and agriculture (15%).

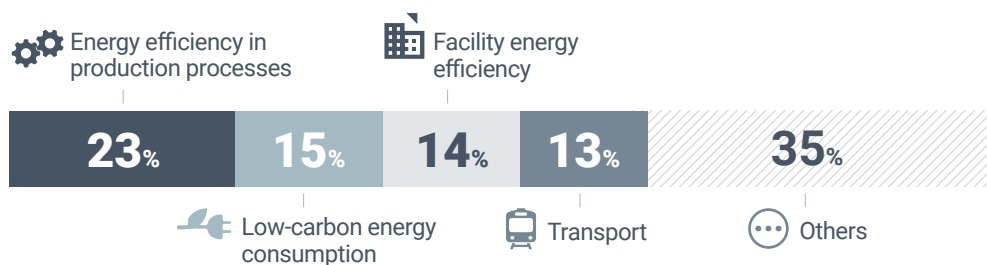
2019 2020 2021

15

Total finance risks and opportunities identified by Latin American companies in 2021 related to climate change, water security, and forests (in USD)



Initiatives to reduce greenhouse gas emissions (35% of responding companies totaled 901 initiatives)

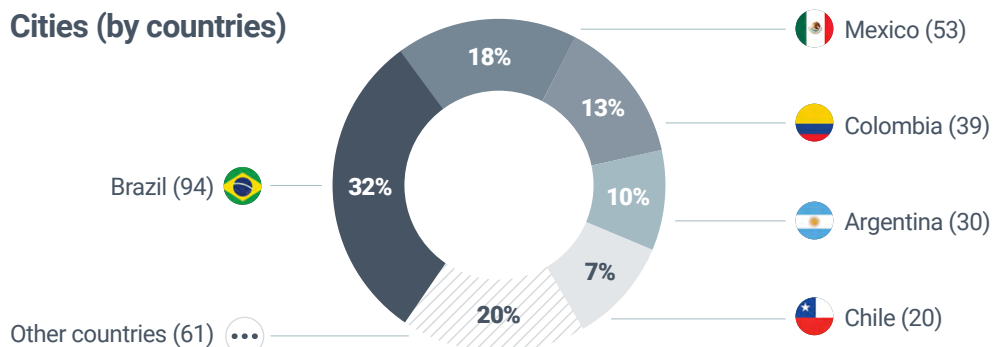


Cities

The total number of cities that have disclosed their figures to CDP account for **163 million inhabitants**.

The cities that reported information on climate management to CDP in 2021 are in several different countries in the region:

Cities (by countries)



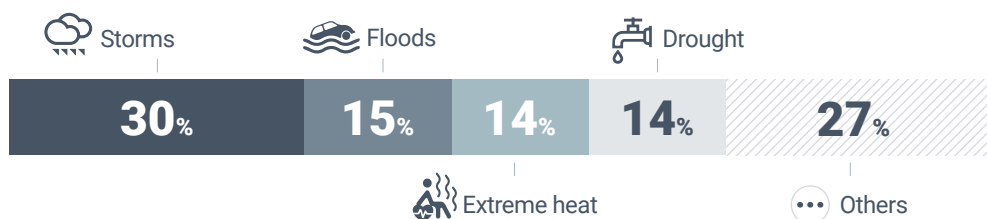
States (by countries)



Latin America is considered one of the most vulnerable regions in the world in terms of extreme climate events. The participating cities in the unified 2021 CDP and ICLEI

platform have **identified 1,188 risks that affect them**. Out of the different risks, the ones affecting Latin America the most are:

Extreme weather hazards (by type)





Storms and general rain pattern changes: Salvador, Brazil

Salvador is normally affected by extreme daily rain events. In April 2020, the city registered one-third of the expected rainfall for the month in one day (about 100mm). Analysis shows rainfall rates in Salvador reduced during the analyzed time series, and there are also indications of an increase in the interannual variability; that is, the projection for the years with an excess of rainfall are much higher than the current average, while the projection for years with a rainfall deficit are much lower than the current average. According to projections, periods of consecutive days of drought will be longer, and periods of consecutive rainy days will be shorter. Models indicate daily extreme rain events will occur more often. They highlight the projections of accrued five-day rainy periods show an increase throughout the 21st century, which makes highlands in the city of Salvador more vulnerable to landslides, due to its severe slopes.



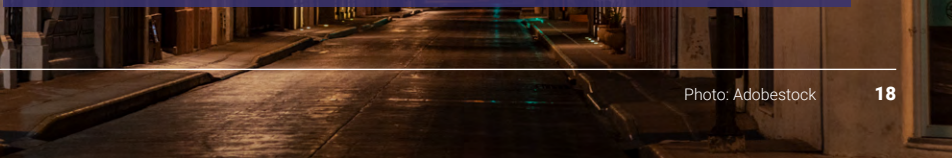
Heat waves and temperature increases: Malabrigo, Argentina

An increase in temperature is expected in the near future, which also causes an increase in the number of tropical nights and in the length of heat waves. This may also affect agriculture (increase in evapotranspiration) and livestock farming. Higher temperatures may also cause higher energy consumption in residential, public, and commercial areas, and in case the infrastructure is not enough to meet the demand, it may be disrupted. As heat waves affect adult and elderly populations the most, the increase in their duration demands special attention from public authorities so as to provide more health care services in the context of climate change.



Green Infrastructure Plan: Mérida, Mexico

The municipality of Merida is reinforcing forestation regulation of both urban and forest areas through the development of the Inventory of Urban Forestation for five districts in the Urban Development Municipal Plan. This municipal initiative aims to plant 100,000 trees in public and private areas through three programs: Forest Crusade, Adopt a Tree, and Reforestation Campaigns to reduce greenhouse gas emissions through increasing, keeping and recovering arboreal areas, thus promoting the creation of an environmental culture dedicated to the woodland sector.



★ A-List

In 2021, as well as an increase in the numbers of Latin American companies and cities disclosing through CDP, there was also a significant increase in the quality of information and actions reported. As a result, most of the companies had an expressive improvement in their final score for the three assessed themes,

with an increase of 11% of Latin American's companies that integrate the A list. In addition to this, Klabin was the first company to achieve the highest score in all three assessed criteria, a Triple A score. Twice as many cities are included in the leading category (A and A-) compared to 2020, increasing from 10 to 20.



Insight

Training and Webinars

CDP Latin America led more than 60 training and webinars, reaching about 600 organizations and more than 3,800 people across Latin America, both in Portuguese and Spanish. Each of the online seminars addressed relevant subjects and information for the companies, investors, and governments. CDP planned and launched courses and training on our questionnaires, financial market-related themes, and environmental performance both on the CDP Education platform and on other communication channels.

New strategy: Insight that enables accountability

- ▶ Scoring companies according to their performance throughout time by using scientific references to measure progress versus what needs to happen to ensure a transition.
- ▶ Enabling that a broader ecosystem of players relies on disclosing by providing actionable data and insights on metrics.
- ▶ Combining and verifying more geospatial and asset data to enable better governance of environmental matters.
- ▶ Influencing, aligning, and making feasible norms and regulations that come from best practices.

On the CDP Education platform, we had 1,103 students for courses in Portuguese and 422 for courses in Spanish in 2021. We created new content on the TCFD framework and expanded the platform to include English content.

2021 training highlights include:

▶ **Urban health and climate change webinar**

A talk organized to discuss climate change impacts on health, with the focus on studies by FIOCRUZ + WWF, CDP and strategies from Germany. A COVID-19 overview was also discussed.

▶ **Jurisdictional approach 2021**

This meeting had the goal of highlighting the benefits, challenges and engagement modalities to companies and other parties interested in jurisdictional approaches in Brazil.

▶ **Science Based Targets for Financial Institutions**

This session explained the new method of the Science Based Targets (SBTi) initiative. This meeting provided financial institutions – banks, investors, insurance companies, pension funds and others – with the opportunity to establish science-based metrics to align their loaning and investing activities with the Paris Agreement.

▼ Biodiversity information reporting

Recommendations and introduction to the new CDSB Framework: At this occasion, companies had the chance to receive information on how to incorporate biodiversity to their reporting and to get acquainted with the CDSB (Climate Disclosure Standards Board, an international consortium of NGOs and businesses that are committed to progress and to align the global corporate report model).

▼ Course on TCFD in Spanish

In a partnership with Transforma, CDP launched the CCADI. With the support of UK PACT Colombia, we launched an entirely online course on TCFD framework in Spanish on the CDP Education platform. This was the first free-of-charge course that was accessible in the Colombian sign language in the region.

▼ Climate Risks course

The Laboratory of Financial Innovation (LAB) launched this course on climate risks with the focus on capital market and financial sector players. Its main goal was to contribute towards a deeper understanding of climate change effects and weather risk management importance through the TCFD framework.

Publications

In addition to spreading knowledge through training and workshops, CDP Latin America has also developed a series of publications for several audiences covering a range of content with the goal of spreading reference and support material, in addition to examples of how different areas and players are affected by the environmental area and may act in it.

As an example, the report on *Climate Change and Urban Health* shed some light on the connection between climate change and the urban population's health. It influences urban health due to three main reasons: municipalities play an important role on key issues; the majority of the region's population live in urban environments; and when cities set goals to reduce their greenhouse gas emissions, they develop tools to fight climate change. **1**

The *Evolution of the Development of Brazilian Companies According to TCFD and TNFD Recommendations* report assesses environmental and data disclosure transparency and best practices conducted by Brazilian companies while reporting to CDP. These companies' compliance to TCFD and TNFD recommendations is also verified. The recommendations are based on four core pillars: Governance, Strategy, Management and Goals. **2**

In 2021, CDP Latin America published 9 policy briefs, 21 reports and 11 fact sheets, some examples are shown below



Events

Events also play a relevant role at spreading knowledge, fostering talks, and exchanging experiences. Altogether, CDP Latin America led or co-led about 23 events.



The Conexão CDP took place on February 10, and it is now known as CDP Latin America Awards. At the 2021 edition, outcomes of the 2020 cycle were addressed. This is a yearly event that awards cities and companies with an “A” grade on the A List CDP develops, in addition to addressing relevant matters of the current year and future themes.

Journalists, representatives of sustainability-dedicated organizations and of companies participated to discuss such matters. All in all, 780 people enrolled, making up an audience of people from several Latin American countries. At this latest edition, COP26 was a relevant subject as it would still be held later in the year.



Conexão pelo Clima
2ª Feira Latino-Americana
de Negócios pelo Clima e
Summit Climate Ventures

The Feira Conexão pelo Clima took place on October 26 and 27, in partnership with Climate Ventures and O Mundo que Queremos. The event was completely online and addressed good practices and opportunities in climate, innovation, and entrepreneurship in the transition into a carbon zero economy and a more sustainable, fair, and inclusive development in Latin America. A Business Roundtable took place on the last day of the event. It was a meeting amongst startups, governments and companies that seek to share sustainable business ideas. A total of 900 people enrolled, and a total of 507 participants were online for 484 minutes on average and sent 352 messages on the chat. The event was simultaneously translated into Spanish, Portuguese, and English, in addition to the translation into Brazilian Sign Language and audio description.



The CDP Latin America team led and arranged five events during COP26, in Glasgow, Scotland. In addition to the events, the team collaborated with seven other panels conducted during the conference. **The Brazil Climate Action Hub** was a pavilion arranged by the Brazilian civil society, hosting talks that included:

- ▼ How can the financial sector contribute to the increase of climate ambitions in Brazil?
- ▼ Solutions for scale gain in low-carbon emission practices in the Brazilian agriculture and livestock farming sector
- ▼ Why are Science-based goals important?

In addition, the following events also took place during COP26:

- ▼ How can the financial sector contribute to the increase of climate ambitions in Brazil?
- ▼ Climate actions to model a sustainable financial system
- ▼ Solutions for scale gain in low-carbon emission practices in the Brazilian agriculture and livestock farming sector
- ▼ Assessing the transition of companies in Brazil and in Mexico for deep decarbonization – lessons learned with the ACT-DDP Project
- ▼ Why are Science-based goals important?



Action

New strategy: Actions catalyzing change

- ▶ Working with several parties interested in varied environmental fields with the focus on change.
- ▶ Catalyzing and sizing up local-based actions equitably.
- ▶ Propelling readiness for effective and ambitious policies and regulations.
- ▶ Scoring, campaigns, engagement, and insights are focused on attainable actions to achieve 1.5°C.
- ▶ Supporting the implementation of Social and Governance metrics to our platform.

Climate]. The Alianças para Ação Climática are national coalitions dedicated to taking systematized measurements and increasing the support from the public concerning facing the world climate crisis, so as to aid countries in fulfilling the commitments agreed upon in the Paris Agreement.

Based on an approach that involves the whole society (whole-of-society approach), in which each national government, subnational and non-government institutions, and citizens come together to face the challenge of being a force to face the climate crisis. ACA-Brasil acknowledges and supports the Brazilian players engaged in the climate agenda.

Initiatives

Throughout 2021, CDP Latin America took part in networks that aimed at promoting environmental actions and ambitions, by mobilizing an increasing number of players, and adding strength to this year's different initiatives, such as:

▶ ACA-Brasil

Aliança para Ação Climática do Brasil was launched in January 2021. CDP Latin America is a member of the Board of Directors, which also includes Instituto Clima e Sociedade (iCS) [Climate and Society Institute], ICLEI, WWF-Brasil, and Centro Brasil no Clima [Brazil and Central Brazil on

▶ RE100

RE100 is an initiative that brings together the most influential companies in the world that are committed to 100% renewable energy. This initiative is led by the Climate Group in partnership with CDP. Together, the organizations engage public policy developers and investors to speed up the transition toward a more sustainable economy. Several groups that perform in Latin America, with the best performance concentrated in South America, reported their operations in the RE100 2021 annual disclosure report.

▼ **SBTi**

SBTi is a partnership among CDP, UN Global Pact, World Resources Institute (WRI), and WWF, which was founded with the focus on defining and promoting best practices for reduced emissions and net-zero emissions targets in line with climate science. In 2021, 21 South American companies had SBTi-based targets approved, and 68 companies have publicly committed themselves to establishing a science-based target in line with the initiative's criteria.

▼ **Race to Zero**

The Race to Zero campaign was launched in June 2020 by the High-Level Climate Champions of COP25 leaders led by Chile and those of COP26 led by the United Kingdom. By establishing strict criteria, the campaign adds more than 10,000 companies, investors, cities, states, and civil society organizations that have voluntary commitments toward reaching net zero emissions by 2050.

As a data partner of UNFCCC Global Climate Action Portal Secretariat, CDP performs as one of the UN recognized platforms for the Race to Zero campaign signatories to report their commitments, such as the advances for fulfilling them.

Throughout 2021, CDP Latin America has supported the promotion of the Race to Zero campaign in different ways:

organizing webinars; releasing publications in Portuguese and Spanish about the campaign; engaging our stakeholders to become signatories of the campaign; and taking part in the event organized by the United Kingdom Embassy that had the participation of COP26 President Alok Sharma.

▼ **IEC**

The Iniciativa Empresarial em Clima (IEC) [Business Initiative on Climate] is the main link of Brazilian companies around the climate change topic.

The initiative consists of six other organizations: Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável (CEBDS) [Brazilian Business Council for Sustainable Development], CDP, Centro de Estudos em Sustentabilidade [Center for Sustainability Studies] of Fundação Getúlio Vargas (GVces), Brazilian Network of the UN Global Compact and Ethos Institute. In 2021, CDP Latin America and IEC joined forces during the COP26 to organize the Brazil Climate Action Hub events about relevant topics, such as the contribution from the financial sector toward increasing climate ambitions in Brazil, and about the importance of science-based targets.

Advocacy

In 2021, the Public Policies Team carried out important actions of political incidence by means of responses from public consultations. In the sustainable finance area, CDP submitted comments to the Comissão de Valores Mobiliários (CVM) [Securities Commission] to improve the environmental, social (ESG) and climate information that publicly held companies are to submit to the regulator. In addition to that, CDP took part in two consultations that the Central Bank (Bacen) released to update the set of regulations dealing with ESG and climate risk management by the financial sector. In both responses, CDP emphasized the importance for the country to adopt regulations that are in line with the TCFD framework, considered the gold standard for climate disclosures, which became a reality in 2022. CDP Latin America also follows the discussions regarding adopting green taxonomies in the region. To that end, it responded to the Superintendência Financeira da Colômbia (SFC) [Colombia Financial Commissioner] about the topic, while complimenting them for their ambition's levels. In turn, in partnership with Coalizão Brasil Clima, Florestas e Agricultura [Brazil Climate, Forest and Agriculture Coalition], an initiative that has more than 300 representatives from different social sectors, CDP sent their considerations about the new Política Nacional sobre Mudança do Clima (PNMC) [National Policy on Climate Change] and pointed out the need for avoiding setbacks in the Brazilian environmental policy.

2021

March: Response to the CVM public consultation

June: Responses to the Central Bank Public consultation

November: Response to the SFC public consultation

December: Response to the Presidential public consultation about the PNMC

2022

Press and media

In 2021, CDP was mentioned in several highly relevant communication channels, such as TV Cultura, Valor Econômico, El Imparcial, Portal Terra, Terra Viva, Exame, Portal G1, Negócio Rural, Veja, Estadão, Business Empresaral, Futuro Sustentable, Revista Época, Um só planeta, Ambiental Mercantil, El Financero, Forbes Brasil, Brasil Agro, and Revista Construir. Among the months with the highest number of articles published mentioning the organization were respectively:



Some positions of CDP Latin America in the press and media in 2021

Entenda a diferença entre a 'Cúpula de Líderes sobre o Clima' e a COP 26

Manoel de Almeida, jornalista da Agência Brasil, escreve sobre a importância da COP 26 para o Brasil e o mundo. O texto destaca o papel da CDP na promoção da transparência e na avaliação das empresas em relação às mudanças climáticas.



ADMINISTRACIÓN GLOBAL DE ACTIVOS

Fondos de inversión, sin interés en el clima

El Grupo Interbancario de Fondos de Inversión (GIFI) publica un informe sobre el desempeño de los fondos de inversión en materia de sostenibilidad. El informe destaca que los fondos de inversión no están interesados en el clima.



ESPECIAL PUBLICITARIO

Especialistas debatem mercado de carbono

Temas da parte da programação do Expert XP, megavento online e gratuito com mais de 40 eventos sobre economia e negócios que a XP realiza entre os dias 24 e 26 de agosto.



Como as empresas e os municípios estão liderando na clima

Um relatório da CDP Brasil, publicado em 14 de maio de 2021, mostra que as empresas e os municípios estão liderando na luta contra as mudanças climáticas. O relatório destaca a importância da transparência e da avaliação das empresas em relação às mudanças climáticas.



CDP Latinoamérica y Fundación Natura lanzaron un documento sobre acuerdos de deforestación cero en Colombia

El documento, titulado 'Acuerdo de Deforestación Cero en Colombia', establece los compromisos de las empresas y los municipios para reducir la deforestación. El documento destaca la importancia de la transparencia y la evaluación de las empresas en relación con la deforestación.



8 empresas Brasileiras estão no top 10 de líderes ambientais da América Latina

Um relatório da CDP Brasil, publicado em 11 de maio de 2021, mostra que 8 empresas brasileiras estão no top 10 de líderes ambientais da América Latina. O relatório destaca a importância da transparência e da avaliação das empresas em relação às mudanças climáticas.



In turn, CDP's work on social media aims at disclosing materials, events, and initiatives that engage different players in the net-zero journey. Altogether,

303 posts were published on our different regional channels. This year, CDP Latin America networks showed a significant increase in comparison to 2020:



Followers in January
4,585
Followers in December
6,838
Annual variation
49%



Followers in January
431
Followers in December
583
Annual variation
35%



Followers in January
360
Followers in December
527
Annual variation
46%



Followers in January
118
Followers in December
190
Annual variation
61%



Followers in January
1,264
Followers in December
1,400
Annual variation
11%

1,264

People who have seen
our contents
LinkedIn: **118,608**
Twitter: **5,230**
Facebook: **550,492**
Instagram: **149,388**

Our Network

CDP Latin America thanks our network of donors, partners, and associates that made the accomplishments of 2021 possible. These collaborations resulted in powerful climate action plans that allowed players to consolidate a sounder and more prosperous green agenda.

The UK PACT's project under CDP Latin America's management is split into two submission windows: Country Programmes (UK PACT Brazil, UK PACT Mexico and UK PACT Colombia), and Green Recovery Challenge Fund (GRCF) (UK PACT NBS Brazil).

Main Supporters

CDP Latin America has essential institutional partners and donors for preparing projects and initiatives for the benefit of a more sustainable economy aimed at a greener future. Our main donors and projects developed in partnership include:

UK PACT

The UK PACT (UK Partnering for Accelerated Climate Transitions) is a program developed by the UK's Business, Energy, and Industrial Strategy (BEIS) and the projects are delivered under the UK's International Climate Finance (ICF) portfolio. The goal of the UK PACT's project is to support countries with a high potential for reducing emissions and increasing climate ambitions.



iCS is a philanthropic organization that promotes prosperity, fairness, and low carbon development in Brazil. It works as a bridge connecting international and national investors to local partners. In 2021, two projects resulting from that partnership, which has existed since 2018, were implemented: the iCS Economia Verde – Caminhos para integração de clima às decisões de negócios e investimentos no Brasil, which aims at redirecting investments toward low carbon economy; and the iCS Política e Clima – Caminhos para fortalecer a ambição e ação climática subnacional e empresarial no Brasil, which aims at connecting and influencing corporate, government and jurisdictional players toward committing to a higher level of ambitions and climate actions lined up with 1.5°C.



Norway's International Climate and Forest Initiative

Norway's International Climate and Forest Initiative (NICFI) is the most important international effort in Norway for mitigating climate change and protecting tropical forests worldwide. Managed by Norway's Ministry of Climate and Environment in collaboration with Norad – The Norwegian Agency for Development Cooperation, the initiative supports bilateral agreements with forest countries, multinational organizations, and the civil society. Norad manages significant shares of NICFI funds under the climate and forest initiative on behalf of the Ministry and is in charge of the initiative's grant scheme. The partnership with CDP Latin America started in 2016 with the implementation of the NORAD PoP – Power of Procurement project, focusing on private sector players that implement social and environmental policies and practices, reduce pressure on forests and are engaged in global public-private partnerships for reducing deforestation. The project was finalized in 2021, when NICFI 2 – RAAPRF (Raising Ambition and Accelerating Action to Protect and Restore Forests) started, which runs from March 2021 to February 2026.



ASSESSING COMPANY TRANSITION with
DEEP DECARBONIZATION PATHWAYS

The Pooling the strengths of governments and the private sector in low-carbon strategies in emerging countries project is a partnership with Agence de la transition écologique (ADEME), Institute for Sustainable Development and International Relations (IDDRI), Instituto Alberto Luiz Coimbra de Pós-Graduação e Pesquisa de Engenharia, of Universidade Federal do Rio de Janeiro (COPPE - BR) and Tempus Analítica (MX), and is funded by FFEM - Fonds Français pour l'Environnement Mondial, an international partner that has worked to combine environment conservation and sustainable development in developing and emerging countries. This project mainly aims at promoting the collective ambition of reduced greenhouse gas emissions (GGE), by promoting the connection between the ambitious commitments of states and strategies of private companies. The implementation started in November 2019 and is scheduled to be finalized by July 2022.



With the support from CDP Worldwide and CDP North America, CDP Latin America started to develop the Enabling Jurisdictional Approaches to halt Deforestation

project in July 2020, and it lasted until March 2022. The project aims at obtaining new metrics for companies and subnational governments that were developed and released on the market; increasing the trust in jurisdictional approaches and the number of subnational jurisdictions in tropical forest countries that report the implementation of jurisdictional approaches. Of the total budget of USD477,566, USD30,529 was allocated to CDP Latin America.



Jointly with Conservation International, Clarmondial and Rainforest Alliance, in 2021 CDP Latin America started to implement the Business Case for collective Landscape Action project: Innovative data, finance and partnerships for impact at scale with activities until 2026. The project aims at adding to reducing commodity-driven deforestation, while adding to accelerating biodiversity conservation and restoration.

Main Partners

In addition to donors, who made it possible to develop projects, we have a network of institutional partners that support us in the engagement and awareness of different players on the importance of and how to mitigate climate change, with emphasis on:

ICLEI

CDP and ICLEI have been global partners since 2017, when both organizations joined forces to create a unified CDP & ICLEI report system (today called CDP-ICLEI Track). CDP Latin America works cooperatively with ICLEI South America and Mexico, which has regionally supported technical qualifications since 2020. Furthermore, in South America, ICLEI has worked in partnership with CDP for implementing the activities of the UK PACT Brazil project, by supporting webinars and workshops. Also, with the support of the United Kingdom government, ICLEI was selected for developing the GGE Inventory and the Climate Action Plan of Minas Gerais, which also counts on the work of COPPE-UFRJ, USP and UFMG, in developing the decarbonization trajectory.

MCTI

The Technical Cooperation Agreement (ACT) entered into and executed between the Ministério da Ciência, Tecnologia e Inovações (MCTI) [Ministry of Science, Technology, and Innovations] and CDP Latin America in 2020, aimed at sharing data and information, conducting studies and research, holding events, promoting the exchange of experiences and leveling issues related to the preparation of public policies of long-term climate change and greenhouse gas emissions reporting.

LAB

LAB is a multisectoral interaction forum and a public-private talks space for promoting innovation and sustainable finance in the country – and was founded by the Associação Brasileira de Desenvolvimento (ABDE) [Brazilian Development Association], Banco Interamericano de Desenvolvimento (BID) [Inter-American Development Bank] and CVM, later joining the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. It aims at creating innovative funding solutions to make private funding feasible for projects with social and environmental additionality, so as to accelerate the transition to a more sustainable financial system. CDP coordinated the work sub-group, such as focusing on climate risks and transparency.

Associative programs

Investor Signatories

The CDP Investor Signatory program consists of a set of opportunities for financial companies to manage and boost their sustainability strategy by means of initiatives, such as: use of Data and Products, Collaborative Engagement Campaigns, Data insights and Capacity building (workshops and roundtable sessions).

In 2021, 37 investors took part in the CDP investor signatory associative program in Latin America, with over US\$3 trillion in assets:

- ▼ AFAP Sura
- ▼ Confrapar
- ▼ JGP
- ▼ Afore Sura
- ▼ Cosan
- ▼ Moneda
- ▼ Banco Bradesco
- ▼ Credicorp Capital
- ▼ NEO Gestão de Recursos
- ▼ Banco BTG Pactual
- ▼ FAMA Investimentos
- ▼ Núcleo Capital
- ▼ Banco do Brasil
- ▼ Grupo Financiero Banorte
- ▼ Prima AFP
- ▼ BB DTVM
- ▼ Grupo Santander Brazil
- ▼ Santa Fé
- ▼ BB Previdência
- ▼ Indie Capital
- ▼ Santander Brazil Asset Management
- ▼ BrazilPrev
- ▼ Inovar Previdencia
- ▼ Sul América Investimentos
- ▼ Capital+SAFI
- ▼ Intrabank
- ▼ Sura Asset Management
- ▼ Confrapar
- ▼ Itaú Asset Management
- ▼ Sura Investment Management

Supply Chain Program

The CDP Supply Chain program helps companies to obtain increased visibility over their supply chain by collecting data, tracking targets, and evaluating and mitigating risks. Program member companies can invite their suppliers to report environmental and corporate data by answering CDP questionnaires, and there is also a specific module in each questionnaire exclusively oriented to the program, which supports companies in gathering key data.

Supply Chain members are mobilizing their chains to reduce impacts and emissions, monitoring supplier emission reduction and commitments to SBT, in addition to acknowledging suppliers that show an annual advance in good practices.

CDP Latin America had a total of 28 supply chain members in 2021:

- ▼ Aguas Andinas
- ▼ Braskem
- ▼ Raia Drogasil
- ▼ Ambev
- ▼ Caixa Econômica Federal
- ▼ Raízen
- ▼ Arcos Dorados
- ▼ CIA Ultragaz
- ▼ Santa Catarina
- ▼ Avianca Holdings
- ▼ Grupo Bimbo, S.A.B. de C.V.
- ▼ Sigma Foods
- ▼ Banco Bradesco
- ▼ Grupo CCR
- ▼ Suzano Papel & Celulose

- ▼ Banco do Brazil
- ▼ Itaú Unibanco Holding
- ▼ Unidas
- ▼ Banco Santander Brazil
- ▼ L'Oréal Latam
- ▼ Vale
- ▼ Banco Santander Brazil
- ▼ Movida Participações
- ▼ Walmart de Mexico
- ▼ Braskem
- ▼ Neg Natural
- ▼ Grupo Boticário
- ▼ Petrobras

Benchmark Club

The CDP Benchmark Club program seeks to promote best environmental practices within companies with the following themes: Climate Change, Forests, and Water Security. By taking part in the program, the company receives a detailed analysis of gaps in their environmental management conducted by CDP experts, aiming at improving not only their practices, but also their reports to investors and clients. Furthermore, the spread of our data and the promotion of meetings among members make it easier to understand the company's current situation before their peers, thus adding to the adoption of good practices

The region had a total of 59 Benchmark Club members improving and seeking leadership in managing climate, water, and forest risks.

- ▼ Aço Verde do Brazil
- ▼ Citrosuco
- ▼ Nubank
- ▼ AES Brazil Energia
- ▼ Cosan Lubrificantes e Especialidades
- ▼ Pampa Energia
- ▼ Aguas Andinas
- ▼ Credicorp Limited
- ▼ Petrobras
- ▼ Algar Telecom
- ▼ Cia Trans Eletrica Paulista (CTEEP)
- ▼ Raízen
- ▼ Amaggi
- ▼ Dexco
- ▼ Sabará Participações
- ▼ Americanas
- ▼ Ecorodovias Infraestrutura e Logística
- ▼ Santos Brazil Participacoes
- ▼ Avianca Group
- ▼ EDP Energias do Brazil
- ▼ Sendas Distribuidora
- ▼ Banco Bradesco
- ▼ Elera Renováveis
- ▼ Sigma Foods
- ▼ Banco do Brazil
- ▼ Empresas CMPC
- ▼ Suzano Papel & Celulose
- ▼ Banco Pan
- ▼ Enauta Participações
- ▼ Telefônica Brazil
- ▼ Banco Pichincha
- ▼ Energisa
- ▼ Tim
- ▼ Banco Santander Brazil
- ▼ Eneva
- ▼ Unidas
- ▼ Bancolombia
- ▼ FS Fueling Sustainability
- ▼ Vale
- ▼ Braskem
- ▼ Grupo Bimbo, S.A.B. de C.V.
- ▼ Votorantim Cimentos
- ▼ Caixa Econômica Federal
- ▼ Grupo Boticário
- ▼ Walmart de Mexico
- ▼ Canacol Energy
- ▼ Grupo CCR
- ▼ Weg
- ▼ Centrais Eletricas Brasileiras (Eletrobrás)
- ▼ Itaú Unibanco Holding
- ▼ Wilson Sons Holdings Brazil
- ▼ Cia Paranaense de Energia (Copel)
- ▼ Itaúsa
- ▼ YPF
- ▼ Cia Saneamento de Minas Gerais (COPASA)
- ▼ Klabin
- ▼ Cia. Brasileira de Distribuicao (CBD) Grupo Pão de Açúcar
- ▼ M. Dias Branco
- ▼ Cia. Siderurgica Nacional (CSN)
- ▼ Movida Participacoes
- ▼ Companhia Brasileira de Alumínio
- ▼ Nemak
- ▼ Companhia Energetica
- ▼ Minas Gerais (Cemig)
- ▼ Neoenergia
- ▼ Compass Gás & Energia
- ▼ Nexa Minerals Resources



CDP Latin America

Rua Capitão Cavalcanti, 38
Vila Mariana, 04017-000
São Paulo, Brazil
Tel.: +55 (11) 2305 6996

www.cdp.net/latin-america 

youtube.com/cdprojectsa 

br.linkedin.com/company/cdp-la 

twitter.com/cdplatinamerica 

facebook.com/cdpamericalatina 

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