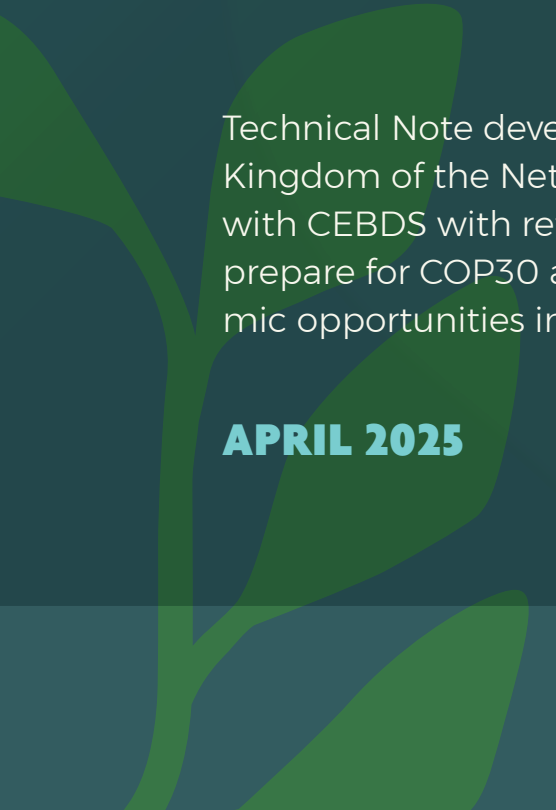


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Private Sector Towards

COP30

**Climate opportunities
and strategies for bilateral
relations between Brazil and
the Netherlands**

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Technical Note developed by the Embassy of the Kingdom of the Netherlands in Brazil in partnership with CEBDS with reflections on how companies can prepare for COP30 and leverage sustainable economic opportunities in Brazil.

APRIL 2025

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FOREWORD

Climate change is undeniably one of the greatest existential crises of our time. We are already witnessing its consequences: extreme heatwaves, intense rainfall, prolonged droughts, rising sea levels, biodiversity loss, and direct threats to health, livelihoods, food security, water availability, and overall human security.

Addressing this crisis requires urgent, coordinated action. Any effective response must include measures and partnerships that support a just transition toward a carbon-free economy. We must collectively commit to achieving emission reduction targets, significantly expanding renewable energy supply, and ensuring that vulnerable communities are protected.

This global challenge also calls for a shared sense of social responsibility—from governments, corporations, and individuals alike—in fostering environmental awareness and mobilizing meaningful climate action. Climate responsibility is an imperative that transcends sectors and borders and multilateral cooperation and climate diplomacy are more vital than ever to ensure inclusive progress.

As Brazil prepares to host COP30, expectations are high for bold, coordinated action that can lead to tangible results in the global response to climate change. The summit offers a crucial opportunity to mobilize public and private actors, strengthen partnerships, and reaffirm commitments toward a fair and inclusive energy transition. It is also a moment to ensure that sustainability and equality go hand in hand. With the Amazon as a backdrop, COP30 is expected to inspire greater ambition,

foster innovation, and accelerate the shift toward a decarbonized, climate-resilient future.

So, we present this technical note, the product of a fruitful collaboration with CEBDS, aiming to help companies and the private sector prepare for COP30; to navigate new seas, filled with promising sustainable initiatives for a greener, more inclusive future.

Yet, we recognize that technical and economic challenges remain. Overcoming these obstacles requires fostering partnerships—across sectors, among stakeholders, and between nations. We must embrace the green economy with both ambition and pragmatism, even if, at times, it feels like embarking on this journey with nothing more than a lifeboat.

The Netherlands focus and effort in Brazil is deeply rooted in shared values and mutual interests, with a strong focus on human rights, energy transition, sustainable agriculture, green logistics, climate solutions, biodiversity preservation, water management, and innovation and technology.

Together, we strive for a future that is not only sustainable but also equitable—where economic prosperity and environmental responsibility go hand in hand. The Netherlands remains committed to working alongside Brazil to turn these challenges into opportunities, paving the way for a resilient and thriving planet for generations to come.

André Driessen

Ambassador of the Kingdom of the Netherlands in Brazil

Responsibility for actions to combat climate change does not fall exclusively on governments or public authorities. The private sector plays a strategic role, driving innovative solutions, expanding green investments and accelerating the transition to a carbon-neutral, equitable and nature-positive economy. Its ability to mobilize resources, develop sustainable technologies and influence production chains is essential to transforming climate commitments into concrete results.

In recent years, corporate participation in climate actions has grown significantly. More and more companies are strengthening their internal initiatives, actively participating in the Conferences of the Parties (COPs) and developing and deepening their corporate transition plans. As they advance in this process, it is essential that they also seek strategic partnerships and new opportunities for collaboration. Initiatives such as the partnership between the Brazilian Business Council for Sustainable Development (CEBDS) and the Embassy of the Kingdom of the Netherlands in Brazil exemplify how sharing knowledge and promoting synergies can accelerate this movement.

This technical note aims to guide the private sector on how to act more effectively within Brazil in the face of climate change. COP30 — the first Conference of the Parties held in the country and in the Amazon Rainforest — will be a milestone in this planning and will feature the private sector's leading

role in expanding its reach and impact. In addition, recent measures implemented by the federal government have been encouraging investment in climate action, making Brazil an increasingly attractive destination for international projects.

In this document, we present an analysis of the current national climate scenario and identify strategic sectors in which Brazil has great potential for growth — sectors in which Dutch companies also have consolidated expertise. Among these, green hydrogen, sustainable agriculture and sustainable aviation fuels (SAFs) stand out, areas with high potential to contribute to the decarbonization of the economy and strengthen greener and more resilient global value chains.

We believe that strengthening ties between the Netherlands and Brazil will help both countries continue to stand out as global leaders in climate leadership, sustainable innovation and social and environmental responsibility. We count on the continued commitment of our companies and institutions to transform the opportunities identified into concrete actions, contributing to global climate goals and promoting the development of low-carbon value chains.

Marina Grossi
CEBDS President

SUMMARY

This document aims to carry out an analysis and promote debate on possibilities for strategic actions by the private sector in the climate agenda for COP 30. In addition, the technical note provides context on the progress of the main political instruments of the climate agenda in Brazil, and identifies investment opportunities in Brazilian sectors with high growth projections and that can add comparative advantage.

After reviewing the main topics addressed at previous COPs and outlining the agenda for COP30 based on current information, this technical note presents some possibilities for companies to take part in this year's Conference, focusing on corporate transition plans, the presentation of best practices and unlocking opportunities for the development of strategic partnerships.

Recent initiatives taken by the Brazilian government to boost climate ambition and the private sector's role in this area are also highlighted, explaining more about public policies promoted by the Ministry of Environment & Climate Change and the Ministry of Finance. Based on this context favorable to foreign financing, this technical note identifies strategic sectors for global decarbonization efforts and with great growth perspectives in Brazil.

This document also discusses the evolution of climate agreements, focusing on the Paris Agreement and other international frameworks. Finally, it emphasizes the role of technological innovation and financial mechanisms to support green transitions in developing nations.

The main highlights of this technical note can be summarized as:

1. COP30

Featured Topics

- **Climate Justice:** Ensuring fair and equitable climate action, with a strong focus on the most vulnerable populations.
- **Nature-Based Solutions:** Strengthening strategies that leverage ecosystems, such as forest conservation, biodiversity protection, and sustainable agriculture.
- **Energy Transition:** Accelerating the shift to renewable energy sources, reducing fossil fuel dependency, and promoting clean technologies.
- **Climate Finance:** Enhancing financial mechanisms to support developing countries in achieving sustainability goals.
- **Innovation & Green Technologies:** Promoting research, development, and the adoption of innovative solutions for decarbonization and resilience.

Challenges and Barriers

- Political and economic factors could slow down climate action, requiring stronger international collaboration.
- Developing countries still face difficulties accessing climate finance, making it essential to address inequalities in funding distribution.
- The need for stronger regulatory frameworks to ensure that global climate commitments translate into effective actions.

Opportunities for Global Cooperation

- COP30 represents a key moment to align global priorities and reinforce the implementation of the Paris Agreement.
- Strengthened partnerships between governments, private sectors, and civil society are crucial to ensuring sustainable development.
- The conference aims to position Brazil as a global leader in sustainable solutions, particularly in areas like the bioeconomy, reforestation, and clean energy.

Expected Outcomes

- Clearer pathways for reaching global climate targets.
- Concrete commitments from countries and businesses to accelerate climate action.
- Reinforced financial strategies to support sustainability in developing nations.
- A stronger emphasis on inclusive climate policies that prioritize vulnerable communities.

2. Private sector engagement

Importance of Corporate Transition Plans

- Companies play a crucial role in achieving global climate goals.
- Transition plans align business strategies with net-zero emissions targets.
- Investors and stakeholders increasingly demand credible transition strategies.

Key Elements of Effective Transition Plans

- Clear emission reduction targets aligned with the Paris Agreement.
- Implementation roadmaps with short-, medium-, and long-term actions.
- Integration of climate risk management into corporate decision-making.
- Transparent reporting and accountability mechanisms.
- Examples from Dutch companies in Brazil can illustrate how to implement an effective transition plan.

Challenges and Barriers

- Need for strong regulatory frameworks and policy support.
- Financial constraints and access to transition financing.
- Managing social impacts and workforce transitions.

Expected Outcomes

- Clearer pathways for reaching global climate targets.
- Concrete commitments from countries and businesses to accelerate climate action.
- Reinforced financial strategies to support sustainability in developing nations.
- A stronger emphasis on inclusive climate policies that prioritize vulnerable communities.

3. Examples of strategic Sectors for Brazil's Growth & Decarbonization

Green Hydrogen

- Increasing demand due to corporate transition plans and the carbon market in Europe.
- Strategic component for decarbonizing hard-to-abate industries and electrifying high-emission processes.
- Estimations of \$3.1 trillion in global investments needed by 2050, with \$400 billion allocated to South America.
- Creation of the Brazilian National Hydrogen Program in 2023 and a regulatory framework in 2024, offering \$3.1 billion in tax incentives.
- The country's 85% clean electricity generation (hydro, wind, and solar) positions it as an attractive market.
- International agreements, including a Memorandum of Understanding with the Netherlands, support sustainable port development.
- Several Brazilian states, including Ceará, Rio Grande do Norte, and Pernambuco, are leading in local regulations and international agreements.

Sustainable Agriculture

- Agriculture contributes 29% of Brazil's net GHG emissions.
- The government's ABC+ Plan (Low Carbon Agriculture) and sustainability criteria in the Harvest Plan (Plano Safra) aim to reduce emissions.
- Bio-inputs (natural agricultural products) are promoted to lower nitrogen emissions and increase productivity.
- The Brazilian bio-inputs market grew 21% from 2021-2024, surpassing global averages.
- EU's Regulation on Deforestation (EUDR) will require traceability for key agricultural exports by December 2025.
- Brazil is responding with AgroBrasil + Sustentável Platform, which will be launched in 2025, to track the beef supply chain.
- The AGR13 Fund, which has the collaboration of the Netherlands, reinforces the financial stability and risk mitigation for sustainable agriculture.

Sustainable Aviation Fuels (SAF)

- Aviation accounts for 1% of global GHG emissions; SAFs offer the best short-term alternative to fossil fuels, essential for decarbonizing aviation and maritime transport.
- Projections say that global SAF demand will grow 2.5 to 4 times, requiring \$50 billion in annual investment.
- Brazil's history with ethanol production gives it a competitive edge.
- The "Fuel of the Future" law (October 2024) established a legal framework for SAFs.
- Industry insiders call SAFs the "hinterlands' pre-salt" due to their economic potential.

CHAPTER I

Joining forces for climate action: the strategic role of the private sector towards cop30 and beyond

The year 2024 was the hottest in recent years and the first to record an average temperature of 1.5°C above pre-industrial levels. The increase in temperature is just one of the factors that reinforces the urgency of combating climate change, a shared effort that requires effective coordination between the public and private sectors and academia to achieve the scientifically established goals. Collaboration between governments, companies and research institutions is essential to develop innovative solutions, accelerate the transition to a low-carbon economy and promote the alignment of adopted strategies with social and environmental needs, represented by the SDG s and with the demands of future generations.

In this scenario, “business as usual” becomes unacceptable and companies are required to take actions to decarbonize and adapt to climate change. Without sustainable practices, based on innovative production models and new businesses (e.g. bioeconomy), it will be difficult to solve global challenges related to climate, food security and energy, among others.

The transition to sustainability is an essential part of the bilateral economic and political agenda between the Netherlands and Brazil towards a low-carbon economy. This is why economic relations between the two countries focus on the following priorities: accelerating green economic activities and combating climate change, enabling innovation and economic development, ensuring global food security, clean energy, defending international competitiveness and managing strategic dependencies. The partnership between the Embassy of the Kingdom of the Netherlands in Brazil and the Brazilian Business Council for Sustainable Development (CEBDS) reinforces this partnership between the two nations and seeks to encourage the engagement of companies – both Dutch and Brazilian – in the climate area, enhancing the positive impact of

companies within global decarbonization efforts.

This document seeks to highlight strategic elements to help companies on how to navigate the Brazilian climate agenda amid the local government's growing efforts for international leadership in the area and the South American country's expanding economic prospects. The document highlights the scope that companies can act on climate change in Brazil from three different perspectives:

- i. The 30th Conference of the Parties (UNFCCC COP30), which will take place in Brazil in 2025;
- ii. The importance of corporate transition plans within the business context and some examples from Dutch companies in Brazil that are working on that agenda, identifying three main sectors for investment;
- iii. The political and economic scenario in climate change in Brazil, focusing on public policies launched by the federal government in recent years.

Market opportunities for the private sector in the climate agenda have been increasing along with the volume of investments. Between 2018 and 2022, climate-related investments doubled, and in 2022, corporate investments accounted for 54% of total financial contributions². These resources were mainly directed to the renewable energy, construction and transportation sectors.

Despite this upward trend, current investment levels must increase fivefold to align with the goals of the Paris Agreement and address three simultaneous crises: climate change, biodiversity loss and socioeconomic inequality. Brazil is one of the largest emerging economies in the world, with a diversified

¹ The Sustainable Development Goals (SDGs) are a global agenda created by the UN in 2015, consisting of 17 objectives and 169 targets that address challenges such as eradicating poverty, protecting the environment, promoting peace and justice and stimulating sustainable development, with efforts from governments, the private sector, civil society and citizens.

² CDP, 2024 - Global Landscape of Climate Finance 2024: Insights for COP29

market and vast natural resources that drive sectors such as agriculture, renewable energy and mining.

As the largest economy in Latin America and an upper-middle-income country, Brazil offers strategic opportunities for investors interested in a robust consumer market. The country is showing positive signs in its economy: its GDP grew by 3.7% in 2024, and unemployment has fallen to historic lows. Despite the fiscal deficit and a high interest rate, international risk agencies have increased the country's rating in 2024, assessing a lower risk for international investment in the country.

The Brazilian government has been developing incentives for business investment in the climate area, creating subsidies, reducing financial risks and developing regulatory frameworks for emerging activities. This document highlights three plans drawn up by the Brazilian State to direct the flow of private investment towards climate initiatives, in addition to pointing out three activities with great growth prospects, in which Brazil has historical comparative advantages, a good position within global value chains and which present themselves as windows of opportunity for investments by Dutch companies in the country: green hydrogen, sustainable agriculture and SAFs.

COP30 represents a unique and symbolic moment to address the challenges of climate change and highlights the importance of implementing concrete actions. This technical note aims to involve companies in an ambitious and strategic agenda for the Conference, as well as to promote a legacy of innovation for future actions in the climate field. This document also details the context of previous COPs, the main issues that may gain traction on Brazil's agenda for the Conference, and practical information on how companies should organize and act at the conference.

The private sector has a key role to play in raising ambition and strengthening implementation by translating plans into concrete actions. In addition to corporate transition plans and clear climate goals, which are pillars of companies' long-term decarbonization, the promotion of best practices and the development of strategic partnerships are projects for private companies to take action at the COP.

Given this promising scenario, collaboration between the government, the private sector, and international partners is essential to transform potential into reality and consolidate these markets. With COP30 seen as a milestone in this movement, Brazil has the opportunity to demonstrate leadership and commitment to the climate agenda, promoting concrete actions that drive sustainable growth and consolidate its position at the center of global discussions on the future of the planet.

CHAPTER II

Cop30 in Brazil: before, during and after

COP30 will be held between November 10 and 21, 2025, in the Brazilian city of Belém, capital of the State of Pará and the largest city in the Amazon Rainforest. For the first time, a Conference of the Parties will be held in the Amazon, a biome essential for global climate regulation, reinforcing the need to promote, at the same time, preservation and sustainable development. The relevance of COP30 goes beyond climate diplomacy: the Conference presents itself as a historic opportunity for Brazil to strengthen its position as a global hub for green investments and to enhance sustainable and low-carbon economy, with positive results for social development.

The participation of the private sector in the climate market has been growing, with a fundamental role in strengthening green investments, its capacity for innovation and raising financial resources to reduce GHG. To understand this path, the next section will present the main results of the last COPs, possible agendas for COP30 and how the private sector can define its agenda.

a. Outcomes of the last COPs and possible agendas for COP30

COPS 28 and 29, together with COP30, form a series of Conferences known as the “troika”, grouped together intending to create a lasting legacy for future COPs. The main advances and topics discussed at COP28 in the United Arab Emirates and COP29 in Azerbaijan had an impact on the creation of the COP30 agenda. In recent years, the following advances, which also impact the private sector, have been made:

Main Outcomes of COP28

Commitment to renewable energy and a just transition: The goal of tripling global renewable energy capacity by 2030 requires companies to accelerate the adoption of clean energy sources and innovate energy technologies. Additionally, the final text included the term “transitioning away from fossil fuels”, indicating a future energy shift.

Loss and Damage Fund: The Fund seeks to support those countries most vulnerable to climate impacts, opening up opportunities for companies to collaborate on adaptation and mitigation projects with social responsibility.

Global Stocktake: The synthesis report of the first Global Stocktake (GST), a tool used to monitor and implement collective progress towards achieving the Paris Agreement’s goals, has been launched, particularly looking at actions taken through Nationally Determined Contributions (NDCs).

Main Outcomes of COP29

Carbon Market Regulation (Article 6): The definition of standards for carbon market trading offers companies new possibilities to operate in the global carbon market, whether as credit generators, buyers or intermediaries.

Climate finance: The New Collective Quantified Goal on Climate Finance (NCQG) was established, with an annual investment of US\$300 billion for public and private mitigation and adaptation projects in developing countries. Achieving the increase from the current amount to the required amount, set at US\$1.3 trillion, is the central point of the Baku to Belém Roadmap, a cross-cutting agenda that will impact COP30.

Climate transparency: The submission of Biennial Transparency Reports (BTRs) encourages companies to adopt better practices for monitoring and reporting emissions, meeting the demands of investors and consumers for greater environmental responsibility and accountability.

b. Expectations of Priorities for COP30

In January 2025, Brazil appointed diplomat André Aranha Corrêa do Lago, who has extensive experience in climate negotiations, as the president of the upcoming COP30. Ana Toni, a Brazilian economist and the government’s climate change secretary, will serve as the executive director and CEO of the summit.

In March, Corrêa do Lago released his inaugural letter as COP30 President-Designate, emphasizing the need for global cooperation to address the climate crisis. He highlighted that COP30 will mark significant milestones, like 20 years since the Kyoto Protocol’s entry into force and 10 years since the adoption of the Paris Agreement. Corrêa do Lago underscored the importance of transitioning from negotiations to the implementation of agreed-upon actions, stating, “We need a new era beyond nego-

tiating talks: we must help put into practice what we have agreed." He also pointed out the limitations of traditional UN climate summits and advocated for utilizing other platforms, such as the G20 and International Monetary Fund meetings, to advance climate initiatives. Additionally, he emphasized giving more voice to civil society groups and Indigenous communities in the climate dialogue.

The definition of priority agendas to be discussed at COPs tends to vary throughout the year. Dialogues with various stakeholders are held throughout the pre-COP negotiation cycle, such as in the Subsidiary Bodies of the UNFCCC (which take place annually in June in Bonn, Germany, the headquarters of the UNFCCC), in the climate weeks organized by the UNFCCC and in other smaller events and diplomatic negotiations.

The Brazilian government aims for COP30 to be marked by a focus on implementation. Brazilian government representatives stated that the Conference process aims to promote the transformation of past action plans and commitments into action, with a focus on the need to achieve concrete results.

The COP30 President indicated that the adaptation agenda will be one of the central themes of the Conference. The COP30 Executive Director indicated that narrowing the current list of indicators on the topic should be a priority, managing to promote a future guideline for success in adaptation and resilience. The subject may also be on the Conference's action agenda and it is expected that measures that can promote increased resilience in Belém will be one of the COP's legacies for the Amazonian capital.

COP30 will highlight the urgency of global climate action, particularly in protecting the Amazon and promoting sustainable local development in other vital ecosystems. Strengthening action against deforestation and in favor of reforestation, bioeconomy and nature-based solutions will likely be a relevant item on the agenda at COP30. The Conference hopes to build on the objectives outlined at COP28 and promote key indicators to establish priorities and a roadmap for future adaptation discussions. At COP28, Brazil launched the Tropical Forests Forever Fund (TFFF), a financial instrument to finance anti-deforestation actions and the conservation and sustainable use of tropical forests. Discussions on the functioning and operationalization of this fund and incentives for innovation in green industries and technologies may take place throughout 2025.

The conference also aims to strengthen global climate governance by advancing commitments under the Paris Agreement to achieve carbon neutrality and encouraging stronger national policies and international cooperation to reduce

emissions. Recognizing Indigenous peoples and local communities as key environmental guardians, COP30 seeks to integrate their knowledge and perspectives into climate policies.

Financing for climate adaptation and mitigation, especially for developing nations, is expected to be a key topic at the Conference. As previously stated, COP29 defined that the Baku to Belém Roadmap will seek to increase annual financing available to reach the US\$1.3 trillion mark, the amount set out by the UNFCCC as necessary to promote the necessary actions and keep the world within the 1.5 degree target. The Brazilian government is studying measures to reach this financing goal.

After discreet progress at COP29, the energy transition should also be an agenda item to be resumed. COP28, in Dubai, established a historic milestone by agreeing to introduce the term "transitioning away" from fossil fuels within its final text. Aiming to create a discussion agenda for COP31, which will possibly be held in Australia or Turkey, the topic might be addressed in a transitional manner at this Conference in Brazil.

Agriculture should also be an important topic, given the relevance of the sector to Brazil's GHG emissions. The promotion of transformative food systems and the decarbonization of the sector should be topics on the agenda at COP30, in addition to measures to adapt to climate change, a demand from the Brazilian agricultural sector. The federal government sees the process of hosting the COP as a milestone in Brazil's climate leadership and intends for the Conference to have a positive legacy for the planet, for Brazil and for the Amazon region.

At the local level, it is expected that the COP will be able to stimulate the development of Belém and Pará through investments in local projects and the development of production chains with competitive advantages, such as bioeconomy and nature-based solutions. At the international level, experts point out that the federal government's focus on implementing actions results from a desire for concrete results that will last for other Conferences.

c. COP30 operational issues: Governance and logistics

The definition of COP governance plays a central role in how the conference negotiations will be conducted. The president of COP30, Ambassador André Corrêa do Lago is expected to encourage increased climate ambition, define priorities, lead diplomatic coordination in the months leading up to the Conference, mobilize resources and commitments, and mediate conflicts between the different parties that will organize the COP.

COP30 governance also involves the creation of key strategic positions. In early April, Dan Ioschpe, president of B20 and vice-president of FIESP (Federation of Industries of the State of São Paulo) was named High-Level Champion for Climate Change, an appointment that represents a fundamental element in COP governance to foster investment attraction and engagement with civil society. In terms of logistics, organizing Conferences between the Parties involves some operational challenges. Due to the high demand for accommodation, the Brazilian government is expected to launch an official platform to centralize requests for accommodation and lodging in the city, as was done by Azerbaijan, host of COP29.

Accreditation is also an important aspect for participation in COP30. Traditionally, the physical space of the COP is divided into two areas: the Blue Zone, the formal space for the COP30 conference and negotiations, where the official sessions and most of the side events take place; and the Green Zone, a meeting point for governments, civil society, companies and NGOs. Accreditation is required to access the Blue Zone. This stage has not yet been fully defined, but using COP29 as a reference, the formal accreditation process may occur through official requests to the government or through organizing institutions already accredited by the UNFCCC.

Specific definitions of how the private sector will be engaged during the COP cycle and how civil society will participate should be announced throughout the year. It is expected that Brazil will have a large participation of non-governmental actors. At the last COP, the country had the second largest delegation, with 1,914 delegates, behind only the host country.

d. Strategic role of the private sector at COP30

The private sector has an increasingly central role in COPs. By announcing internal climate targets, publicizing innovative decarbonization initiatives, participating in strategic discussions, providing investment and financing power, and fostering coordination between the public and private sectors, companies can participate and make a meaningful contribution to the Conference.

Companies can act as true catalysts for transformative change in the climate area. Over the past few conferences, the number of companies sharing successful experiences, highlighting technological innovations aimed at mitigating and adapting to climate change, and organizing and participating in thematic events and panels has grown.

There are several distinct and complementary roles for the private sector in COPs, and this section highlights some of them:

- i. announcing a carbon transition plan;
- ii. presenting success stories;
- iii. developing strategic partnerships.

Carbon transition plans have been gaining relevance within the private sector and COPs can be an important platform to announce and detail these corporate commitments. By announcing climate targets, a company can become more attractive to private investors and government funds with sustainability criteria. The targets can also be complemented by the disclosure of progress reports, demonstrating transparency, leading innovation in this market and encouraging other organizations to follow similar examples. More details on carbon transition plans will be provided in the next section of this document.

Showcasing success stories is a powerful way to inspire other organizations and stakeholders. Practical examples, such as reducing GHG emissions in a value chain or creating a product with lower associated emissions, can be highlighted at side events and serve as a platform for attracting investment. This presentation can also generate reputational gains, positioning the company as a leader in the sector.

The development of strategic partnerships is also a valuable opportunity during the COP. Global companies can find local partners to foster projects outside their headquarters that align with their company's global goals. These efforts can be bilateral, between two organizations, or multilateral, through the creation of networks or innovation hubs by companies that have similar climate challenges, companies from the same value chain, and organizations that can provide solutions.

through the creation of networks or innovation hubs by companies that have similar climate challenges, companies from the same value chain, and organizations that can provide solutions.

CHAPTER III

Corporate transition plans and sectoral perspectives

The creation and implementation of corporate transition plans has been gaining increasing importance, especially since COP26 in Glasgow. One of the main climate actions taken by companies, carbon transition plans are documents that describe how a company intends to reduce its carbon emissions and climate risks.

This voluntary plan establishes objectives for decarbonizing or increasing a company's resilience, followed by steps and actions to achieve these goals. Often, these goals might influence all sectors of the company's activities, from the business model to the value chains of the companies' suppliers. Typically, these plans tend to align with national and international objectives, such as the Paris Agreement.

Since its launch, the methodology for corporate transition plans has undergone a process of refinement and creation of points of convergence between different sectors. In June 2023, the final version of the financial reporting standards on sustainability was defined. Made by the International Sustainability Standards Board (ISSB), the launch was seen as a milestone in the reporting of transition plans.

Standardization has encouraged more companies to adopt corporate transition plans: according to CDP data, the number of publicly traded companies that reported having a transition plan increased by 44% between 2022 and 2023.³ The standardization of transition plans has been incorporated by governments and, in some countries, has become mandatory. Brazil innovated by becoming the first country in the world to adopt ISSB parameters as a regulatory standard for financial disclosure by publicly traded companies, determining the standards as being for voluntary use from 2024 and mandatory use from 2026, based on the framework called Brazilian Sustainable Taxonomy, developed by the Ministry of Finance. Following Brazil, Australia, Singapore, and Malaysia also adopted these reporting criteria in their international standards.

The growing number of companies publishing transition plans is also a result of additional financing advantages. In addition to government regulations, transition plans can generate better access to capital. Investor funds that include sustainability criteria can promote access to financing with lower costs and interest rates. Governments, international organizations, and private and development banks that have sustainability goals in their portfolios tend to adopt projects from companies with a well-defined internal environmental, social, and corporate governance (ESG) policy.

Another economic advantage of adopting corporate transition plans is converting potential risks into opportunities. Outlining transition plans creates a roadmap for companies to identify opportunities in the low-carbon economy and promote a just transition.⁴ According to a report by the International Labor Organization (ILO), the opportunity to adopt sustainability criteria can promote access to more profitable portfolios and explore new market trends, especially in the areas of agriculture, energy and new materials, cities and health.⁵

Corporate transition plan and scope 1, 2 and 3 emissions

Although transition plans are not fully standardized (they can differ according to the sector in which each company operates, the organizational priority and the applied methodology), there are common elements among all.

A well-structured governance, responsible for the climate area, is normally seen as one of the first steps for a climate plan, followed by the creation of a clear decarbonization strategy with implementation guidelines. Identifying risks and opportunities is another essential step for a company to be able to enhance its climate action and explore new markets. The creation of a corporate transition plan also requires well-defined metrics and objectives, capable of monitoring progress.

³ CDP, 2024 - *The State of Play 2023 Climate Transition Plan Disclosure*

⁴ World Business Council for Sustainable Development - *Moving transition from plans to action: A transition planning primer.*

⁵ International Labour Organization - *The Business Case for Just Transition An Overview of the Economic Benefits of the Transition to a Sustainable Economy*

Another important point is the identification of which greenhouse gases will be accounted for and how they are generated, which can be divided into scope 1, 2 and 3 emissions. The source of greenhouse gases' emissions plays an important role in their classification and in the mandatory reporting of them.

In general terms, scope 1 emissions are generated directly by own or controlled sources, such as industrial transformations, vehicle emissions, and changes in land use, among others. Scope 2 emissions are generated indirectly by the acquisition of electricity and can range from carbon-intensive sources, such as coal, to renewable energy, such as wind power. Scope 3 emissions, in turn, come from the value chain, such as the purchase of materials made by partner companies or assessing emissions at the product's disposal.

A robust corporate transition plan is composed of scope 1, 2 and 3 emissions produced by the company. However, scope 1 and 2 emissions have better-defined methodologies and, therefore, may be easier to measure.

At the same time, there is a significant learning curve for measuring emissions, which involves improving internal practices, building a governance system and, often, hiring a specialized professional to help the company develop its decarbonization strategy.

After identifying the source of its emissions through an inventory and outlining a clear strategy, a company can achieve a zero-carbon goal through three options:

- i. it can avoid carbon emissions, for example, by replacing polluting industrial inputs with lower-emission alternatives;
- ii. it can reduce its emissions by implementing stricter practices that can prevent deforestation or that can store carbon dioxide;
- iii. it can invest in removals, promoting reforestation actions or other ways that can remove polluting emissions from the atmosphere.

What is the role of the COP in transition plans?

The measures described for decarbonization require, in addition to a transition plan that can promote these actions, access to finance. To this end, major meetings and events in climate diplomacy, such as the Conferences of the Parties, can be opportunities for companies to access this capital.

COP30, that will count on Brazilian efforts to stimulate private investment in climate change and

transition plans, will be a good window of opportunity for companies to show investors their climate actions. Demonstrating good practices can also promote reputational gains for companies and affirm their commitment to sustainability, promoting greater transparency for investors and consumers.

Opportunities for companies to create and strengthen corporate transition plans are significant in Brazil, which has been encouraging private decarbonization through access to finance and encouraging private sector investment in climate change. The country stands out as the seventh country in the world in terms of the number of companies with robust corporate transition plans, and is second only to China amongst developing countries.⁶ Recent government actions, such as EcoInvest, the Brazilian Sustainable Taxonomy, and the national carbon market, aim to stimulate these investments for private sector actions.

CHAPTER IV

How to invest in climate change in Brazil?

The institutional strengthening of the Interministerial Committee for Climate Change (CIM)⁷ and the growing importance of the climate agenda within the government promoted more dynamism to the theme, which underwent important changes during 2024.

Under the coordination of the Ministry of the Environment, but shared with the Ministries of Finance (MF), Development, Industry and Commerce, and Transport, among others, the federal government has been encouraging multilevel participation that strengthens the participation of subnational governments, civil society, and the private sector in sustainable actions. In the case of the private sector, creating conditions that encourage investment by national and foreign companies in climate change by reducing risks and increasing the predictability of investments.

The following pages detail the developments of three climate agendas that might contribute to strengthening climate investments in Brazil, their importance within the COP30 scenario, and how the private sector is organizing itself for each of them.

a. Climate Finance

Brazil has been strengthening its mechanisms for raising funds for climate change, aiming to stimulate private sector participation in the area by allocating domestic and foreign capital to mitigation and adaptation projects. This process preceded the announcement of Brazil as host of the next COP and will have lasting importance for the country, even after the Conference.

The past experience of raising funds from host countries during the global spotlight, such as Egypt during COP27, offers positive prospects for the Brazilian government and companies to gain access to finance while the COP is still in the spotlight.

Three initiatives that should have a long-term effect are worth highlighting. One of them is **Ecolinvest**, from the National Treasury, which aims to minimize risk for foreign investors through blended finance, mechanisms to reduce exchange rate volatility, and a line of credit for structuring projects. The first auction was held at the end of 2024 and promoted a leverage of US\$7 billion from the private sector, with greater competition for projects in the areas of energy transition and biofuels. Throughout 2025, the program will include other thematic auctions; the recovery of degraded pastures and nature-based solutions have already been defined as themes for future auctions.

The **Brazilian Sustainable Taxonomy (TSB)**, an initiative developed by the Ministry of Finance and inspired by the European and Mexican Taxonomy, contributes to the channeling of capital for climate change. The program aims to establish criteria to assess whether an economic activity is sustainable, helping to prevent greenwashing. The MF has instigated the participation of the private sector to help build the taxonomy and in its future implementation, which should occur in the coming years. The current phase of the Taxonomy is expected to be published in the early second half of 2025.

The **Brazil Platform for Climate Investments and Ecological Transformation (BIP)**, also coordinated by the Ministry of Finance, was launched in October 2024 with the aim of expanding investments made in Brazil through match-making, connecting potential national and foreign investors with solutions already existing in Brazil and with current decarbonization projects. Recently launched, the Platform is still in the implementation process.

These actions, led by the Ministry of Finance and the Treasury, demonstrate that the climate agenda transcends the environmental agenda and has been internalized as a possibility for economic development. By increasing predictability and reducing risk,

⁶ CDP, 2024 - *The State of Play 2023 Climate Transition Plan Disclosure*.

⁷ The Interministerial Committee on Climate Change (CIM) is a Brazilian government body responsible for coordinating actions related to climate change at the national level. Composed of several ministries, the CIM aims to formulate public policies, promote the implementation of international climate commitments, such as the Paris Agreement, and coordinate initiatives to mitigate greenhouse gas emissions and adapt to the impacts of climate change.

the government is trying to stimulate the investment of capital in sustainable projects in Brazil in the long term.

b. NDC and Climate Plan

Following the assessment that the first round of NDCs from the first Global Stocktake was insufficient to limit global warming to an average of 2°C above pre-industrial values, there is an incentive for the next NDCs to raise their ambition levels.

At COP29, Brazil became the second country to submit its revised NDC. The Brazilian government committed to reduce its 2035 emissions between 59% and 67% compared to 2005. However, to translate this ambition into practice, the Brazilian government is updating the Climate Plan and creating plans for the decarbonization of different sectors of the economy. These documents will outline the actions needed to decarbonize Brazil and provide estimates on the amount of investment needed to achieve the decarbonization goals.

At the national level, the process of creating the Climate Plan and sectoral plans has been counting on contributions from the private sector in dialogue spheres promoted by both public and private sector. Brazilian companies see these spaces as opportunities to create points of convergence, promote joint positioning and understand possible paths for future decarbonization. Internationally, it is expected that the process of disclosing the new NDCs will give rise to a discussion on how to implement them, agenda for the next COP.

c. Carbon Market

The main instrument for carbon pricing, international carbon markets were recently affected by COP29, which detailed how global markets will operate. The Conference segmented instruments for the operationalization of these markets on a global scale, allowing the trading of credits from one country to another, a measure that should stimulate international cooperation and reduce the costs of implementing national climate plans.

Also during the last COP, the Brazilian Emissions Trading System (SBCE) was approved by the Brazilian National Congress. The national market adopted the cap-and-trade model, which establishes a government regulator to define the set of regulated entities, determining a ceiling on GHG emissions permitted by the system. The publication “X-Ray CEBDS: Brazilian Emissions Trading System (SBCE)” details in greater detail the implications of the carbon market for the private sector and stipulates the main opportunities for the sector.

The SBCE regulatory process is expected to take place throughout 2025 and 2026. Even so, there are expectations of a gradual implementation that prioritizes industrial processes and energy and that will be able to create effective pricing by the end of the 2020s. The implementation of the Brazilian system should occur simultaneously with the operationalization of the international market, so COP30 should delve deeper into these mechanisms and promote an impact on how the system is implemented in Brazil.

The creation of economic instruments developed by the Ministry of Finance, the publication of the NDC with guidance on key measures and the creation of a carbon market are signs that Brazil is solidifying its climate institutions to promote actions in the area and facilitate public and private investment.

CHAPTER V

Growth prospects in strategic brazilian sectors

The Embassy of the Netherlands, reflecting the Dutch government's ambitions regarding sustainability, has five strategic sustainable development priorities in Brazil: energy transition, sustainable agriculture, water management, sustainable logistics and high-tech systems and materials. Through the partnership with CEBDS, common themes have been identified that will be central to the COP30 agenda. These areas are:

- a. Green Hydrogen;
- b. Regenerative Agriculture;
- c. Sustainable Aviation Fuels (SAF).

In 2024, the three sectors recorded encouraging growth prospects in Brazil, driven by the increase in international demand in the sectors and by the comparative advantage that Brazil has in these global value chains. Despite the positive signs, the three sectors are still developing in Brazil and globally and, therefore, present good opportunities for early investors.

a. Green Hydrogen

Green hydrogen, a fuel produced from renewable energy sources, allows transportation between producing markets with an abundance of clean energy, such as Brazil, to consumer markets. The increasing creation and implementation of corporate transition plans and the establishment of the carbon market in Europe have promoted an increase in European demand for low-emission energy. Green hydrogen contributes to decarbonize the energy sector and is considered vital for the decar-

bonization of hard-to-abate industries⁸, allowing the electrification of high-emission industrial processes and the transportation sector.

As a reference of the potential market for Brazilian products, the consultancy Deloitte estimates that, to reach the net zero emissions mark by 2050, an investment of US\$3.1 trillion will be required in the production of green hydrogen in developing countries during this period. The report also suggests that the amount to be invested in South America should be US\$400 billion.⁹

Aiming to stimulate local production, the Brazilian government created the National Hydrogen Program in 2023 and sanctioned a regulatory framework in 2024, providing tax incentives of up to US\$3.1 billion until 2032. Brazil is emerging as a potential attractive market for these investments in the region due to its abundance of clean energy: the country has 85% of its electricity generation coming from low-emission methods, 55% from hydroelectric plants and 15% from wind energy, and has an expansive industrial policy of incentives for wind farms (on- and off-shore) and additional solar farms, which should represent more than half of Brazilian energy production by 2028.

Green hydrogen is also the subject of international agreements. The Netherlands stands out in port management and has signed a Memorandum of Understanding with Brazil to assist in the sustainable strategic development of Brazilian ports. The European demand for green hydrogen is encouraging the search for an increase in the supply of domestic production and in trade relations between the two countries, such as the purchase by the Port of Rotterdam of 30% of the joint venture of the port of Pecém in Ceará State, which subsequently obtained the first incentive concession in Brazil.

The critical role of the fuel in the decarbonization of industrial sectors and the prospects for Brazilian

⁸ Hard-to-abate industries are industrial sectors that are difficult to decarbonize due to their high reliance on energy-intensive processes and greenhouse gas emissions. These sectors include steel, cement, petrochemicals, aviation, shipping and others that use fossil fuels as an energy source or essential raw material.

⁹ Deloitte, 2024 - Green hydrogen: Energizing the path to net zero.

development encourage the topic of green hydrogen during the fair transition discussions at COP30. The high demand and low supply in the sector make green hydrogen a topic of national interest. The fuel is also viewed with interest by several Brazilian states, such as Ceará, Rio Grande do Norte, Rio Grande do Sul and Pernambuco, which already have production chains in operation, local regulations that precede the national regulations and international cooperation agreements in force.

b. Sustainable Agriculture

As a sector responsible for 29% of net GHG emissions (the second largest source of emissions in the country), Brazilian agriculture has been undergoing a process of evaluation and changes to encourage its sustainability. The Brazilian government, for example, implemented the ABC+ Plan (Low Carbon Agriculture) and adopted sustainability criteria in the Harvest Plan to reduce emissions from national agriculture.

To reduce nitrogen emissions¹⁰ and to promote productivity gains in the field, the Brazilian government has been investing in the bio-inputs sector, agricultural products of natural origin (such as microorganisms, enzymes, plant extracts, or others) used for the biological control of pests and diseases. According to industry projections, the Brazilian bio-inputs market grew 21% between 2021 and 2024 and more than four times the world average¹¹, a profitability rate that has promoted the growth of agrotech bio companies in the sector's production chain. The market predicts encouraging prospects for demand from countries that have difficulty reducing their agricultural emissions from nitrogen.

Brazilian agricultural exports are expected to face increased pressure due to stricter regulations in key consumer markets. To combat global deforestation, the European Union's Regulation on Deforestation (EUDR) mandates enhanced traceability for products such as soy, beef, coffee, timber, palm oil, cocoa, and rubber traded with the EU, ensuring they are not linked to deforested areas. This regulation is set to take effect in December 2025. Brazil is imple-

menting various measures to increase traceability of the beef supply chain, including the AgroBrasil + Sustentável Platform, slated for launch in 2025.

c. Sustainable Aviation Fuel (SAF)

The production of sustainable aviation fuel (SAF) is another economic activity in which Brazil has a global comparative advantage and which is of crucial importance in the decarbonization of economic sectors at a global level. Defined as aviation fuels derived from renewables or waste and which meet sustainability criteria, SAFs are considered vital for the decarbonization of the aviation and maritime transport sectors. Currently, aviation is responsible for 1% of GHGs at a global level, by reducing emissions throughout some stages of its life cycle.

According to a McKinsey report, the need to use SAFs, considered the only alternative to replace fossil fuels in the short term and the best option for the decarbonization of the maritime sector, stimulates global demand in the sector. The consultancy estimates that production capacity must expand by 2.5 to 4 times, requiring an annual investment of US\$ 50 billion to meet demand.

Due to its historical investment in ethanol production, which dates back to the 1970s, Brazil has a comparative advantage in the sector. Aiming to stimulate economic activity in this area, the federal government sanctioned the "fuel of the future" law in October 2024, creating a legal framework for the sector. The growth prospects for the sector, nicknamed "hinterlands' pre-salt" by producers in São Paulo and Goiás, encourage the area to also be addressed within the fair transition discussions at the next COP.

¹⁰ Nitrogen is an essential element for agriculture, being one of the most important nutrients for plant growth. However, its use can release nitrous oxide (N₂O), a potent greenhouse gas, and can also cause leaching and contamination of rivers and groundwater with nitrates. The production of nitrogen fertilizers is also energy-intensive and carbon-intensive.

¹¹ Pesquisa Blink/CropLife Brasil – Bioinsumos no Brasil – Sectorial market data.

CONCLUSION

While the challenges of the climate crisis are immense, so are the opportunities to build a more sustainable and equitable future. By acting decisively and collectively, it is possible to transform ambition into action and ensure that the green transition becomes a cornerstone of cooperation between Brazil and the Netherlands and of global economic development.

This document sought to reinforce the opportunities that exist in Brazil for Dutch companies. Even before hosting COP30, Brazil has been advancing in the process of building institutions and instruments that aim to help decarbonize and promote climate action by the private sector, reducing the risks associated with such investments. This increased effort represents a window of opportunity for companies to invest in a country that has been improving its economic incentives to foster private sector climate action, highlighting its competitive advantages in low-emission sectors and promoting technological solutions and innovations.

Investing in climate change solutions in Brazil becomes even more attractive for companies due to the focus on the implementation of COP30 and the possibility of advancing necessary agendas discussed at recent COPs, such as adaptation, energy transition and agriculture. The private sector is a key player in driving low-carbon technologies and processes, with numerous possibilities to act in the preparation for COP, such as:

- Producing and strengthening corporate transition plans, setting clear targets for decarbonizing companies and presenting them to the public and to peers;
- Creating success stories, such as those presented by the Embassy of the Kingdom of the Netherlands in Brazil throughout this technical note;
- Developing strategic partnerships with institutions or sectors both national or from other countries that have faced similar challenges to your company or that can provide financing for activities.

This document detailed strategic alternatives and opportunities for Dutch companies in Brazil, seeking

to provide context for local initiatives that outline national climate ambitions (such as the NDC and the Climate Plan) and that foster private investment, such as the Brazilian Emissions Trading System, EcoInvest, BIP and the Brazilian Sustainable Taxonomy. Measures that aim to strengthen the business and financing environment for climate action in Brazil and increase its attractiveness to investors.

With a focus on strategic partnerships between the Netherlands and Brazil, sectors that are crucial to global decarbonization and that have strong growth prospects in the country were also outlined: green hydrogen, sustainable agriculture and sustainable aviation fuels (SAFs). In all three sectors, Brazil has comparative advantages, complementary industries and existing logistics that allow it to be well-positioned to insert these activities into global value chains.

The development of these sectors represents a strategic opportunity for Dutch companies, which have extensive expertise in green hydrogen, sustainable agriculture, innovative logistics and renewable energy. By acting strategically in these areas, these companies can not only drive the transition to a more sustainable economy, but also position themselves in markets with high growth and profitability potential.

ANNEX

The Embassy of the Netherlands in Brazil has selected five cases of decarbonization carried out by Dutch companies operating in Brazil. These practices illustrate examples of how foreign companies are promoting climate action in Brazil, how these projects can be a link between the climate ambitions of the parent company and the practical actions of the subsidiaries, and how they can develop in line with local public policies.

Based on a client's interest in acquiring land in the Amazon to develop carbon credit projects in the future, Arcadis presented a technical analysis of alternatives related to the commercialization of voluntary carbon credits in the region, considering the VERRA/VCS¹ International Registry. The objective is to provide a clear understanding of the process flow in the voluntary carbon credit market, addressing methodologies and strategies aimed at forest conservation and reforestation.

The analysis details the steps required for the commercialization of carbon credits in the Amazon, including the assessment of risks associated with the investment and the identification of points of attention. The methodologies analyzed consider alternatives such as forest conservation through avoided legal deforestation, forest conservation through avoided illegal deforestation and reforestation in degraded areas.

Arcadis, based on the established methodology, assessed 13 pre-defined items, considering the stages of the carbon credit project and the main requirements needed to execute each of them. This made it possible to outline a scenario and identify the specific requirements for each methodology defined as a priority, based on the information provided by VERRA.

For the Risk Matrix, considering all the information obtained in the previous stages, 16 requirements were analyzed, to which 5 assessment parameters were assigned. The results obtained throughout the analyses can be used as a management tool to support decision-making on investments in alternative carbon projects in the Amazon.

This project focused on creating a decision-making tool for investments, showing the alternatives for carbon projects in a sensitive territory (Amazon).

¹ The Verified Carbon Standard (VCS) is an international certification mechanism that validates projects that reduce greenhouse gas (GHG) emissions. The VCS is one of the most widely used standards for accounting for carbon in the voluntary market.

With a national cattle herd of 239 million head, innovations to reduce methane can help Brazil's decarbonization. Dsm-firmenich, a global innovation company in science and nutrition, has developed Bovaer®, an innovative solution to reduce methane emissions from cattle, one of the main causes of greenhouse gases in agriculture.

With cattle representing around 14% of global emissions, Bovaer® emerges as an effective and scalable alternative to mitigate these environmental impacts, directly contributing to the sustainability of the agricultural sector. The result of 15 years of research and development, Bovaer® inhibits a specific enzyme in the rumen of cattle, significantly reducing the production of enteric methane. Scientific studies conducted in several regions show that the feed additive can reduce methane emissions by up to 45% in beef cattle and 30% in dairy cows, without the need for significant changes in animal management. In some tests, reductions reached 90%, demonstrating the great potential of this solution. Studies indicate that the project avoids more than 185 thousand tons of CO₂ equivalent.

The effectiveness of Bovaer® has already been validated in more than 100 scientific studies and the product is approved for use in more than 65 countries. In addition to the environmental benefits, its adoption can generate economic advantages for livestock farmers, such as access to carbon credits and better market positioning, aligning agricultural production with global sustainability requirements.

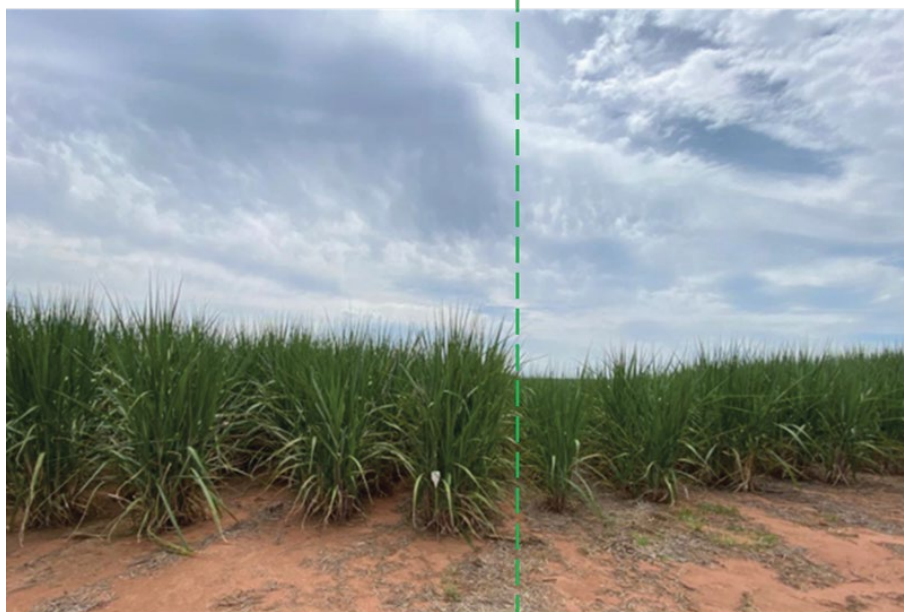
Several countries have already implemented policies and incentives to promote the use of low-methane power solutions, such as Belgium, Slovenia and South Korea, which reinforces the trend of global expansion of this type of technology. Bovaer® demonstrates how private sector innovation can accelerate the transition to more sustainable agricultural production, in line with the goals of the Paris Agreement and global efforts to combat climate change.

The adoption of biological management with bionematicides, a sustainable tool for pest control, in sugarcane crops has proven to be an effective strategy for reducing the load of chemicals used in pest control and reestablishing balance in the plantation. With the increasing restriction on the use of chemical nematicides due to their high toxicity, bionematicides emerge as a sustainable and efficient alternative.

To demonstrate their effectiveness, a team of experts structured fields side by side, comparing the performance of bionematicides with chemical ones. Proving the results directly in the field strengthened the credibility of the solution, resulting in organic

adoption by producers. Currently, 76% of sugarcane plantations in Brazil already use bionematicides, with 8.5% of this market corresponding to Boneville Koppert.

In addition to the success of bionematicides, the sugar and ethanol sector has expanded the adoption of biological solutions in agricultural management in general. There is great growth potential for bioinsecticides (micro and macrobiological), biostimulants, biofungicides and bioinoculants, consolidating the use of biological products as an essential part of sustainable sugarcane production.



In the photo above, on the left, the four lines of sugarcane that received treatment with Koppert Biologicals versus the others, which followed the conventional treatment with chemicals.

CREATION OF A SOCIAL AND ENVIRONMENTAL IMPACT FUND



The agricultural sector is essential for Brazil's decarbonization envisioned by its NDC, with the sector expected to decarbonize by restoring 15 million hectares of degraded pasture lands and increasing 5 million hectares of integrated crop-livestock-forestry systems (iLPF) by 2030.

A study using data from the Pasture Atlas, published by the Image Processing and Geoprocessing Laboratory (LAPIG) of the Federal University of Goiás (UFG), shows that Brazilian pastures cover approximately 177 million hectares, of which approximately 40% have medium vegetative vigor and signs of degradation, while 20% have low vegetative vigor, understood as severe degradation. Another study conducted by Embrapa, published in the international journal Land, indicates the existence of approximately 28 million hectares of planted pastures in Brazil with intermediate and severe levels of degradation that have potential for the implementation of agricultural crops, justifying the adoption of sustainable technologies in the field.

To meet such demand, Rabobank joined forces with FMO, IDH (The Sustainable Trade Initiative) and the United Nations Environment Programme UNEP to create a US\$1 billion socio-environmental impact fund called AGRI3. The AGRI3 provides credit enhancement and technical assistance to investment projects and businesses which protect and restore forests, promote sustainable agriculture and support rural livelihoods.

The Dutch government has also played a crucial role in supporting the AGRI3 Fund through significant financial contributions. The Dutch Ministry of Foreign Affairs invested US\$ 40 million as an anchor public investor, demonstrating its commitment to sustainable agriculture and environmental initiatives. Additionally, they provided a US\$ 5 million non-repayable grant to finance the Technical Assistance Facility, ensuring the fund's effective implementation. Furthermore, a US\$ 35 million non-interest-bearing repayable grant was allocated as part of the fund's first loss tranche, reinforcing the financial stability and risk mitigation of the initiative.

The contribution aims to encourage ranchers and farmers to invest in the recovery of degraded pastures and in the transformation of pastures into sustainable agriculture. In addition to improving productive areas, the adaptation of Rabobank clients to the Brazilian Forest Code is financed.

Despite creating a major positive environmental impact, these investments in the recovery of native forests do not generate short-term financial returns and it is not always easy to attract resources for this purpose. For this reason, loans from this fund have a ten-year term and a three-year grace period, providing relief for cash flow in the short term and security for the future.

Technological advancement in food cultivation brings significant opportunities for farmers, especially in the Cerrado and Amazon regions. By investing in soil quality and adopting techniques such as rotational grazing, direct planting, cover crops, pesticides and biological fertilizers, productivity per area can increase significantly, allowing for greater profitability, in addition to greater carbon sequestration in the soil, expanding the role of farmers as protectors of natural ecosystems.

Studies indicate that the demand for sustainably produced food will only increase in the future, making these long-term lines, focused on sustainable production, a strategic investment.

Finally, understanding the potential difficulty of changing the relationship with the soil, should rural producers benefit from Agri3 resources need technical support, the fund provides free technical assistance, giving full support to beneficiaries in relation to the best certifications in each market.

The first operation in this format was carried out in mid-2018. Since then, the Rabobank/FMO/IDH.org/UNEP blended finance has already transferred more than US\$120 million in projects aimed at environmental preservation, sustainable agriculture and improving life in the countryside.

Rabobank - Sustainable Finance no Brasil

Translating into numbers the support to clients in the transition towards global agreements

Our support in the last 5 years (values in US\$):

\$ 9,4 billion in 135 transactions:

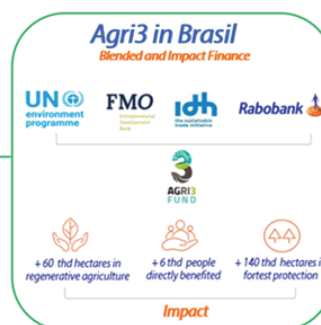
\$ 7,6 billion in Bonds and Loans with Sustainability goals
\$ 1,5 billion in green loans

\$ 114,4 million in Blended and Impact Finance (Agri3)

\$ 46 million in the BNDES – ABC Program
\$ 109 million with WWF and IFC programs

Use of resources:

53 transactions for conversion of degraded pastures
7 transactions for the Crop-Livestock Integration Model ("iLP")
63 transactions for Regenerative Agriculture
12 transactions for solar panels, irrigation, water treatments and social



REDUCING GHG EMISSIONS



Supergasbras is a leading Brazilian company in the liquefied petroleum gas (LPG) sector, providing energy solutions for residential, commercial, and industrial use. It is part of SHV Energy, a global leader in LPG distribution.

Reducing greenhouse gas emissions is one of Supergasbras' strategic objectives. In this sense, the company has been constantly mapping and investing in initiatives that lead to reductions in scopes 1, 2 and 3 emissions.

The company has been conducting energy efficiency audits at its bottling plants to identify improvements that mainly aim to reduce the consumption of electricity and fuel in its equipment - thus reducing stationary scope 1 and scope 2 emissions.

As a LPG distribution company, more than 95% of its scope 1 emissions are related to the consumption and use of fossil fuels in its fleet. To reduce these emissions, measures have been adopted that impact governance and the selection of new projects.

Within the governance structure, the policy of mandatory use of ethanol in the light fleet, consisting of more than 600 vehicles, stands out. As a result, in 2024, 98.4% of the light fleet was already being fueled with ethanol and the goal for 2025 is to have more than 99.5% of the fleet fueled with the fuel. To date, this measure has contributed to a 10% reduction in scope 1 emissions.

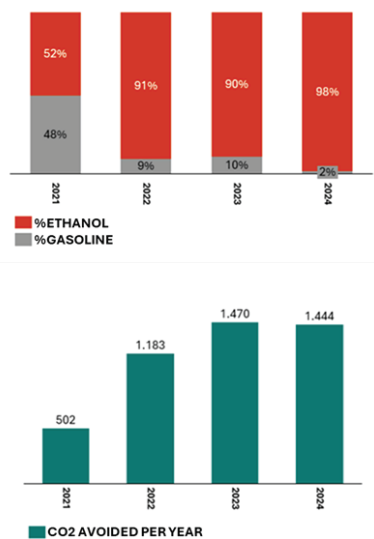
The graph below shows the evolution of fueling of the light fleet as well as the amount of equivalent CO2 year avoided with this measure.

For the heavy LPG distribution fleet, Supergasbras has been constantly working to achieve logistical efficiency, based on optimizing the delivery route, telemetry in trucks, replacing trucks with new technologies, among others. The company was the first in the world to use electric trucks for the LPG segment, investing in more than 50 electric trucks that will be part of the fleet from 2025.

In addition, there is a project in the final testing phase that aims to replace up to 30% of diesel with biomethane and thus significantly reduce scope 1 emissions.

Considering scope 2, currently 79% of electricity consumption occurs from incentivized energy and is in the final phase of obtaining IREC, which guarantees the traceability of the use of renewable energy in the facilities. For 2025, the company's goal is to have 100% of its units consuming only renewable energy. In addition, the company has its own solar energy generation in two warehouses in Rio de Janeiro.

In addition to reducing emissions from its value chain, the company has also invested in reducing the product's intrinsic emissions, which account for more than 90% of scope 3 emissions. Since 2021, Supergasbras has started a biofuels area in Brazil focused on developing technologies and commercial partnerships to produce BioGL, the renewable counterpart of LPG. To date, there has been investment in six projects with Brazilian universities (UFF, UFRJ, UFMG, UFSC, UFBA and the company Junior Propeq-Unicamp), which aim to produce BioGL from renewable raw materials such as sugarcane bagasse, corn sorghum, soybean and eucalyptus residues and urban solid waste. The Brazilian universities are, together with 16 other research institutes, part of a Global HUB for the development of new technologies to produce BioGL by SHV Energy, a Dutch company of which Supergasbras is the business unit in Brazil.



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