

OPEN LETTER TO BRAZIL ON CLIMATE CHANGE

Our View

Climate change represents one of the biggest challenges of our time. The 4th assessment report by the Intergovernmental Panel on Climate Change shows that a temperature increase of over 2°C in relation to that of the beginning of the industrial era would bring disastrous consequences to the economy of countries and the well being of mankind, in terms of health, food security, habitability and environment, jeopardizing sustainable development in an irreversible way.

In Brazil, a temperature increase of this magnitude would bring severe effects on agricultural production, the integrity of forests and biodiversity, the safety of coastal zones and availability of water and electricity. This would imply, therefore, in a retrocession in the fight against poverty and quality of life of our society.

The reduction of global emissions of greenhouse gases (GHG) represents a big challenge. In order for the temperature increase to stabilize below 2°C, IPCC shows the need to limit the concentration of CO₂e in the atmosphere to up to 450 ppm (parts per million). For that to happen, the total emission of GHG during this century must not be over around 18 Gt CO₂e/year (billions of tons of GHG expressed in CO₂ equivalent per year), in average. At present, global emissions exceed 40 Gt CO₂e/year. Even if developed countries reduced their emissions to zero immediately, it would not be possible to achieve the global reduction goal without the participation of emerging economies, including Brazil among them.

We experience a unique opportunity to build a new development model, based on a low carbon economy, which shall mobilize companies, governments and civil society. We believe that Brazil, more than any other country in the world, gathers the conditions to lead the agenda of this new economy. The deforestation reduction goal to 80% by 2020, advertised by the National Plan on Climate Change, will give significant contribution for the reduction of global emissions. Brazil has positive experiences in other sectors, as the production of biofuels, which show our capacity to meet this objective.

We are sure that Brazilian companies can give a key contribution so that the country may lead the transition to a low carbon economy, take advantage of new business opportunities and increase its competitiveness. In this letter to the Brazilian government and society, we make commitments regarding the climate change agenda and propose actions for the public power.

Our commitments

As a contribution to the global efforts for the reduction of climate change impacts, we commit ourselves to:

- A. Publishing the inventory of GHG emissions of our companies every year, as well as the actions for the mitigation of emissions and adaptation to climate change.
- B. Including the choice of options that promote the reduction of GHG emissions in our processes, products and services, as a strategic guidance for investments decision-making process.
- C. Pursuing the continuous reduction of specific GHG emissions and of the net balance of CO₂ emissions from our companies through actions of emissions direct reduction in our production

processes, investments on carbon capture and sequestration and/or support to actions for the reduction of emissions from deforestation and degradation.

- D. Work with the supply chain, aiming at emissions reduction from suppliers and clients.
- E. Engaging with the government, civil society and our operation sectors, in the effort to understand climate change impacts in the regions where we operate and respective adaptation actions.

Proposals to the Brazilian government

The COP15 – 15th Conference of the Parties of the United Nations Climate Change Conference - will take place next December in Copenhagen. During the event, representatives of around 200 countries will discuss new commitments and incentives for the reduction of GHG emissions, the adaptation to the effects of historic emissions and the development, financing and technological cooperation that promote the reduction of global emissions and climate stability.

In order for Brazil to advance in the agenda of low carbon economy and for companies to plan on how to operate in the new context, it is vital that a predictable and stable governance system for climate change issues is structured. For that matter, we suggest the following measures to the government, regarding Brazil's participation in the COP – 15:

- A. Take on a leading position in the negotiations for the definition of clear goals for the global reduction of GHG emissions, ensuring the use of the principle of common, yet differentiated, responsibilities.
- B. Defend the simplification and agility of CDM (Clean Development Mechanism) implementation, using as central eligibility criterion its verified emissions reduction, eliminating the concepts of financial and regulatory additionality and the characterization of forest credits as temporary.
- C. Support the creation of an incentives mechanism for REDD (Reducing Emissions from Deforestation and Forest Degradation), including conservation and sustainable forest management. Such mechanism shall consider resources from different sources, including voluntary contributions, such as the Amazon Fund, and other ways of raising funds from market instruments.

And in the local scope,

- D. Produce and publicize Annual Estimates of GHG Emissions in Brazil and a Brazilian Inventory of GHG Emissions every three years.
- E. Establish a National System of Emissions Control, including mechanisms so that society may participate in the process and be consulted, and the definition of an independent regulatory sphere for the theme.
- F. Prioritize GHG emissions reduction in public policies and investments, in order to consolidate the country's positioning in a low carbon economy.
- G. Promote the simplification of the evaluation process of CDM projects in Brazil.
- H. Define and implement a support policy to forest peoples, rural producers, companies and institutions for actions regarding forests conservation and sustainable management that promote REDD.
- I. Establish and implement a strategy for Brazil to adapt to climate change.

Signatory companies:

Vale
Grupo Pão de Açúcar – Companhia Brasileira de Distribuição
Suzano Papel e Celulose
Votorantim Industrial
Aracruz Celulose
Votorantim Celulose e Papel
Light
Natura Cosméticos
CPFL Energia
Camargo Corrêa
Andrade Gutierrez
Construtora OAS
Companhia Brasileira de Metalurgia e Mineração (CBMM)
Coamo Agroindustrial Cooperativa
Polimix Concreto
Aflopar Participações
Estre Ambiental
Odebrecht Engenharia e Construção
Grupo Orsa
Samarco Mineração
Nutrimental
União da Indústria de Cana-de-Açúcar (Unica)

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Fórum Amazônia Sustentável - Sustainable Amazon Forum
Sindicato da Indústria Mineral do Estado de Minas Gerais (SindiExtra) - Mineral Industry Union of the State of Minas Gerais
Federação das Indústrias do Estado do Paraná (Fiep) - Federation of Industries of the State of Paraná
Wal-Mart Brazil