UNICA is the leading sugarcane industry association in Brazil.

Its more than 100 member companies, voluntarily engaged, represent over 60% of the sugarcane, sugar and ethanol produced in Brazil.

Its expertise covers key areas including the environment, energy, technology, international trade, corporate social responsibility, sustainability, regulation, economics and communications.

It has offices in four locations: São Paulo (headquarters), Brasilia, Washington D.C, and Brussels.
### Key Numbers

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of mills</td>
<td>369¹</td>
</tr>
<tr>
<td>Sugarcane growers</td>
<td>70,000</td>
</tr>
<tr>
<td>Direct employment</td>
<td>1.02 million²</td>
</tr>
<tr>
<td>Revenue</td>
<td>US$ 70 billion</td>
</tr>
<tr>
<td>Foreign Revenue</td>
<td>US$ 10.2 billion (2014/15)</td>
</tr>
<tr>
<td>% Energy matrix</td>
<td>15.7% (2nd source, &gt; hydro)</td>
</tr>
<tr>
<td>CO₂ emission reductions CO₂</td>
<td>&gt; 600 million t since 1975</td>
</tr>
</tbody>
</table>

- ² UNICA (May/2015)
- ³ 2012 (RAIS)
- ⁴ BEN(2013); Unica, MAPA e LMC

28 billion liters

2nd world producer: 25% of production and 37% of world exports

15 million MWh

4% of Brazilian electricity consumption; 38% of annual planned production in Belo Monte complex

35 million ton.

Largest producer and exporter in the world: 22% of global production and 45% of exports
### Sustainability Initiatives

<table>
<thead>
<tr>
<th>Examples</th>
<th>Instruments</th>
<th>Scope</th>
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</thead>
<tbody>
<tr>
<td><strong>Public policies</strong></td>
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<td></td>
</tr>
<tr>
<td>National and State Agroecological Zonings</td>
<td>Regulatory</td>
<td></td>
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<tr>
<td>New Forest Code</td>
<td>Regulatory</td>
<td></td>
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<tr>
<td><strong>Public-private partnerships</strong></td>
<td></td>
<td></td>
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<tr>
<td>The Green Protocol, The National Commitment to improve labor conditions</td>
<td>Self-regulatory</td>
<td></td>
</tr>
<tr>
<td><strong>Private partnerships</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BONSUCRO certification</td>
<td>Self-regulatory/</td>
<td></td>
</tr>
<tr>
<td>Renovação Project</td>
<td>market-based incentives</td>
<td></td>
</tr>
<tr>
<td>CONSECANA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Individual initiatives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eg: local partnerships, support to schools or hospitals, etc</td>
<td>CSR / Differentiation</td>
<td></td>
</tr>
</tbody>
</table>
Government Initiatives

SUGARCANE AGROECOLOGICAL ZONING IN BRAZIL

Guidelines for Sugarcane Expansion

1. It excludes sugarcane expansion in the most sensitive biomes – e.g. Amazonia and Pantanal

2. It excludes sugarcane expansion on any type of native vegetation (Cerrados, Campos, etc.)

3. Authorized areas for sugarcane expansion: 64.7 ml hectares, equivalent to 7.5% of the Brazilian territory (currently 1% of the area is used for sugarcane)

It guides licensing decisions of the Brazilian environmental agencies. Public funding for sugarcane mills is subject to its compliance.

Source: Brazilian Ministry of Agriculture, Livestock and Food Supply (2009)
**Voluntary agreement** reached between São Paulo state government, the sugarcane industry (UNICA) and the cane suppliers (ORPLANA)

- It anticipates the deadline for ending sugarcane burning: from 2021 to 2014 in areas that can be mechanized and from 2031 to 2017 in other areas.
- It also includes other conservation measures, such as the protection of river side woods, the recovering of those near water springs and the reduction of water use.
- 144 mills and 26 association of sugarcane suppliers joined the initiative, representing 93,5% of the state ethanol production and 45,5% of Brazilian production.
Private-Public Partnership

- “Trilateral” agreement - Government, Private Sector and Labor Unions - which sets around 30 better work practices that go beyond legislation demand.

- It is a voluntary agreement where participating units are verified by independent auditing companies. 180 sugarcane production units are currently in compliance with the Commitment.
The Program encouraged similar actions inside the mills, multiplying the number of trained workers (more than 22,000 trained in the last 4 years).

RenovAção’s initiatives were the base for the public initiative to begin launching new projects with very similar features, such as the Pronatec, a Federal Public Program, coordinated by the Ministry of Education, that aims to train and requalify around 12,000 people from the sugarcane sector, just in the state of Sao Paulo.

International recognition by FAO as an “example” among the initiatives that combined renewable energies production with social inclusion.
Private Partnerships

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

- UNICA was the first agribusiness association in the world to publish a **sustainability report** following the **Global Reporting Initiative** Framework.

- In its last version (2010/11) it achieved an “A+ Grade”. Dissemination of the practice within the Sugarcane sector: **more than 100 mills have now their own GRI Sustainability Report!**
A bilateral private sector arrangement between sugar/ethanol industry and sugarcane growers that establishes a dynamic and transparent model to define the price paid by ton of cane.

Created in 1999, it aims at sharing risks between agents and comprises two private entities:
- UNICA, representing sugar and ethanol producers
- ORPLANA, representing sugarcane growers

Main principles:
- Balanced forum between growers and the industry
- Voluntary engagement
- Dynamic model, subject to revisions of its parameters and improvement of its rules on a regular basis (general revisions conducted every 5 years)
- Revenue of the sugarcane grower is proportional to the industrial revenue
  - On average, sugarcane production accounts for 60% of total sugar and ethanol production costs. Therefore, the sugarcane grower receives on average 60% of the agroindustrial revenue.
Let’s talk about Certification!

Important Aspects

- Financial Situation
- Market Demands

- Not being certified does not mean that the industry is not sustainable
Current Difficult Financial Situation = Profit x Costs

• Since 2008, nearly 80 sugarcane mills were closed in Brazil.
• Nearly 65 units have entered bankruptcy proceedings, and several other mills are in precarious financial situations.
• On average mills have dedicated close to 15% of their income to servicing debt, which translates to R$ 17 per ton of processed Sugarcane.
• Which means:
  • Mills will make the balance between costs and profit when it comes to certification.
Export and Market Demands

• US Market has its own sustainability rules and regulation

• European Directive recognises Bonsucro

• Other markets do not demand certification

• Certification will also depend on the client’s demand.
• Different Solutions for Different Needs:

• ISCC

• RSB

• Bonsucro (39 Brazilian mills certified)
Thank you

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www.sugarcane.org