

CNI CONTRIBUTIONS TO THE ESG AGENDA IN BRAZILIAN INDUSTRY (2019-2020)



The National Confederation of Industry (CNI) is the main representative of Brazilian industry in defending interests and promoting public policies that favor entrepreneurship and industrial production. It also leads the Industry System, which includes the National Service for Industrial Learning (SENAI), Social Service for Industry (SESI), and Euvaldo Lodi Institute (IEL).

Importance of Industry to Brazil



BRL
1.3
trillion

is the sector's contribution to the national economy



69.2
%

of business investment in research and development



20.4
%

share of GDP



69.2
%

of Brazilian exports of goods and services



29.7
%

of social security contributions



9.7
million

jobs created

About CNI

Members:

- **1,291,000** registered companies
- **1,276** industrial unions
- **26** state federations + **1** in the Federal District

Strategy:

CNI's agenda is guided by the Strategy Map for Industry 2018-2022, which presents the major challenges to be addressed by Brazil in the coming years to build a competitive, innovative, global, and sustainable industry.

Focus:

- Generation of knowledge to strengthen industry and Brazil
- Defense of interests in the improvement of public policies
- Provision of services to micro, small, medium and large companies



11 key factors



38 priority topics



60 goals

For over 12 years, CNI has been coordinating the **Entrepreneurial Mobilization for Innovation (MEI)**, which brings together around **400 business leaders**.

This movement links the business sector, government, and academia, with the aim of stimulating innovative strategies of Brazilian companies and increasing the effectiveness of policies to support Research, Development & Innovation (RD&I). **With the action of MEI, the federal government created the Brazilian Company of Research and Industrial Innovation (Embrapii)**, which encourages and supports innovation.

Efficient and transparent management



CNI's accountability is periodically provided through different communication products, such as the Indústria Brasileira Magazine, the newsletters CNI em Ação and Conexão Trabalho, and the Infrastructure Report.



It also has a Code of Ethics, an Ethics Committee, thematic councils and boards, and is finalizing the preparation of an Institutional Compliance Code.

During the pandemic (2020)

Strong performance to improve the ability to prevent, diagnose and overcome the new coronavirus through free courses, support and mobilization for the production of products such as alcohol, masks, gloves, among others.

BRL 470 million invested in actions to help Brazil fight the pandemic

Partnership with **20 companies and institutions** for the repair and maintenance of out-of-service mechanical ventilators



56 CNI proposals submitted to the National Congress to combat the effects of the economic crisis due to the pandemic adopted in full or in part

BRL 30 million made available via the Innovation Platform for Industry to support Covid-19's prevention, diagnosis and treatment projects

Highlights of CNI's performance (2019-2020)

Learn about some actions on CNI's political and technical agenda to contribute to the incorporation of ESG criteria by the national industry.

ENVIRONMENT

CNI believes that the development of innovative solutions in products, processes and new business models are fundamental for the efficient and sustainable use of natural resources.

Low Carbon Economy

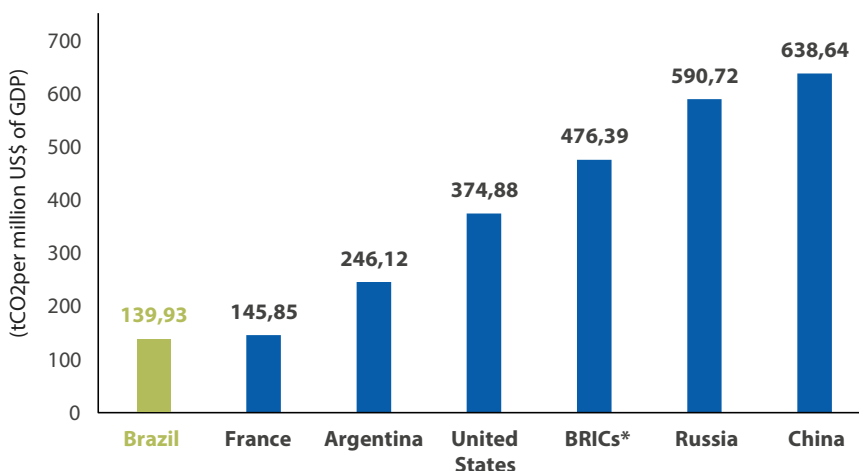


Launch of two studies on **climate finance**, with solutions for accessing financial resources aimed at the low-carbon economy in Brazil and worldwide, and a set of proposals to establish a **Monitoring, Reporting and Verification (MRV) system for emissions and removals of Greenhouse Gases in Brazil**.



Articulation with the federal government to advance compliance with the Paris Agreement in the post-Covid-19 scenario and launch of the **Sustainable Development Mechanism and Industrial Competitiveness** document.

Intensity of GEE emissions for energy use in industry - Brazilian advantage



Source: CNI, based on data from the World Resources Institute (WRI) 2010.
* Average emission intensity of the countries in the group.

Circular Economy



Realizing of the **Circular Economy roadmap: Strategic Path for Brazilian Industry**, to guide the sector in the transition from the linear to the circular model.



Publication of **booklets on Sustainable Purchasing** to encourage the sustainable development of supply chains in industrial sectors, through the purchasing power of companies and the State.

A survey carried out by the CNI in 2019 showed that 76.5% of the industries develop some circular economy initiative, mainly, process optimization, use of circular inputs and resource recovery.

Solid Waste



Coordination for the publication of a standard that governs the **energy recovery of urban solid waste** and provides legal security to the activity.



Articulation for the approval of a bill that provides for deductions from the Corporate Income Tax for **projects to encourage recycling**, and another that aims **to reduce the burden on the production chain of recycled products**.

Bioeconomy and Biodiversity



Articulation with the National Congress for the **ratification of the Nagoya Protocol** by the country, which took place in the first half of 2020; and preparing the industry to adapt to the commitment, with the launch of studies such as the **Analysis of the regulatory impacts of the ratification of the Nagoya Protocol for the national industry**.



Construction and launch of the Industry **Bioeconomy Agenda, to leverage the Brazilian bioeconomy** based on three pillars: regulation, scientific and technological development; and financing.

Approximately **40% of the global economy** is based on products derived from biodiversity and their components. The industry can be a protagonist in the efficient and sustainable use of natural resources and the use of Brazilian biodiversity.

Forests



Preparation and dissemination of the study **Sustainable Production of Native Forests: proposal for revision of the Regulatory Framework**, to contribute to greater legal certainty and improvement of the business environment in forestry activities.



Organization of the **Amazon+21 Forum**, with the objective of mapping perspectives and seeking solutions for issues related to sustainable development in the region.

The forest concession is the main path for sustainable forest management in the Amazon region.

Water Security



Development of seven state studies and one national study on the **potential and feasibility of using treated domestic sewage effluents to supply the industry** (reuse).



Promotion of major awareness events such as **Water Business Day, during the 8th World Water Forum**, and World Water Industry Day.

SOCIAL

CNI understands corporate social responsibility as a set of initiatives aimed at the development of sustainable businesses, both from an economic point of view and from a social and environmental point of view, being essential for society to prosper.

Education

- 214,000 registrations in **basic and continuing education**.
- 2.2 million enrollments in **vocational education**.
- 52,227 professionals trained in **business management**.
- 12,239 trained in **innovation management**.

SESI is the largest private education network in Brazil and has 526 schools across the country.

SENAI, leader in the training of professionals for the industry, is present in 2,700 cities and has already qualified more than 80 million professionals.

IEL, which prepares Brazilian companies for a highly competitive environment, has 83 units across the country.

Culture



Organization of the **most relevant visual arts award in the country**, the Marcantonio Vilaça National Industry Award, as one of how the national industry contributes to the social development of Brazil.



Promotion of the ACESSE Program, with workshops for teachers and artists in an area of free experimentation for maker activities, with the purpose of **integrating contemporary art into the school curriculum**.

Work Safety and Health



3.7 million people benefited with **occupational safety and health services**.



Active participation of CNI in articulating the **review of national regulatory standards** that address issues such as the use of machinery and equipment, and minimum hygiene and comfort conditions for workers - combining **safety and health in the work environment and modernization of the productive sectors**.

Labor Relations



Strengthening collective bargaining between companies and workers via unions, and promoting the **alignment of the country's labor reform with the International Labor Organization**.



Action to reiterate that the **new legal framework for outsourcing** provides legal certainty for companies and ensures respect for workers' rights.

Basic Sanitation



Coordination for the **approval of the new legal framework for basic sanitation**, whose focus is the universalization of sanitation by 2033 and the promotion of legal certainty to increase private investments in the sector.

Micro, Small and Medium-Sized Enterprises



25% increase in the productivity of companies served by the Program to Support the Competitiveness of Micro and Small Industries (Procomp), a partnership between CNI and the Brazilian Micro and Small Business Support Service (Sebrae).



10,000 companies (63% small and medium-sized) served by the Brazilian Network of International Business Centers (Rede CIN), which promotes the internationalization of Brazilian companies.

GOVERNANCE

CNI has been acting on several fronts, fostering integrity and combating corruption initiatives, in addition to acting directly in debates on public policy formulations with the Federal Executive Branch.

Legal Certainty



Support for **the approval of the Law on Legal Security**, which deals with the creation and application of public law in the country, and the **creation of the Declaration of Rights to Economic Freedom**, which focuses on the functioning of the free market.



Publication of the Legal Industry Agenda, edited since 2019, focusing on the Federal Supreme Court (STF). The document presents the institution's position on the actions with the greatest impact and relevance for the Brazilian industry, and aims to **provide greater transparency to the representation of the sector's interests**.

Transparency



Articulation with authorities and congressmen to **improve the open data policy**, the digital provision of public services, the opening of government data and full access to information – mechanisms considered essential by the CNI for **strengthening transparency and democracy**.



Presentation of proposals to improve the dissemination of the agenda of public commitments of Public Agents in Brazil, to provide the citizen with **greater knowledge about government performance**.

Integrity and Fighting Corruption



Direct involvement in instances such as the Public Transparency and Anti-Corruption Council of the Federal Comptroller General's Office (internal control body of the Federal Government), to **debate and suggest measures for improvement and promotion of policies and strategies, within the scope of the federal public administration**.



Strengthening and supporting institutions to **improve corruption prevention instruments and implement adequate regulations to encourage integrity**.

Lobby Regulation



Defense with the federal government of the recognition of the activity of institutional and governmental relations (RIG), an activity known as lobbying, as a professional occupation. The new occupation was included in the list of the Brazilian Classification of Occupations.

