

## Progress Reporting - Beraca

2013/2014 - On the Leadership Declaration of the 'Biodiversity in Good Company' Initiative.

### Leadership Declaration

All signatory companies acknowledge and support the three objectives of the international "Convention on Biological Diversity":

1. Conservation of biological diversity
  2. Sustainable use of its components
  3. Fair and equitable sharing of the benefits that arise out of the utilization of genetic resources.
- and commit themselves to:
1. Analyzing corporate activities with regard to their impacts on biological diversity;
  2. Including the protection of biological diversity within their environmental management system;
  3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board;
  4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years;
  5. Publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report;
  6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step;
  7. Exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain.
- To demonstrate ongoing commitment, member companies will provide the Initiative with a progress report every two years.

#### **1. Analyzing corporate activities with regard to their impacts on biological diversity;**

Beraca maintains the Sociobiodiversity Enhancement Program<sup>®</sup> to ensure that the benefits provided by agro-harvesting go hand in hand with Beraca's sustainability pillars: appropriate profitability, human development in a balanced way, and water and biodiversity conservation – all of which are connected to a fourth pillar: ethics and transparency. According to this concept, biodiversity is conserved at the same time as the company grows, meets market demand and generates income to local communities. Beraca purchases raw material from around 1,350 families in 105 community centers across seven Brazilian states.

Many communities in Brazil fall below the nation's lowest municipal HDI<sup>1</sup> value. Before Beraca's partnership with communities, earnings were restricted by business inexperience and lack of organization. The agro-forestry activities were considered as an income complement along with activities like making coal and selling wood when fishing (their main income source) was not possible during full-waters season. To overcome this, since 2001 Beraca has helped establish cooperatives and associations within the communities, which is a way to generate formal job opportunities to the local people, ensure product traceability and use forest in a sustainable manner as a source of income. The company also applies a fair price policy to its suppliers and maintains public initiatives in the scope of the Union for Ethical Biotrade. Currently, organic certified suppliers are spread throughout 1.5 million hectares (equivalent to more than half of Brazilian state of Alagoas - figure 1), which ensures the preservation of the Amazon Rain Forest and adds value to the supply chain.

<sup>1</sup> Municipal HDI: Based on the Human Development Index and adapted to the Brazilian reality.

Beraca is responsible for the entire organic certification process, from transferring production process technologies through to providing free of charge packaging to be used in harvesting activities and offering logistics support to the communities. All these initiatives aim at minimizing Beraca's impacts on the biological diversity and at boosting its changing social role within the local communities where it operates.



**Figure 1** – Representation of Brazil and the state of Alagoas. The organic certified areas of Beraca's raw material suppliers reach 1.5 million hectares when combined; it can be exemplified by more than half of Alagoas state which has 2.7 million hectares.

## **2. Including the protection of biological diversity within their environmental management system;**

Beraca coordinates several initiatives to improve the results achieved through its relationship with raw material suppliers as well as to expand its activities by using biodiversity in a responsible way. In 2014, the company participated in the United Nations COP-12 to incorporate the latest trends concerning the Nagoya Protocol, ratified in South Korea. Beraca is also currently working with the Union for Ethical Biotrader to improve ethical supply processes. Based on the Sociobiodiversity Enhancement Program®, its environmental management system is being reformulated to include greater care on forest management, traceability, CBD principles and the nº 511/2014 European Union directive. A Procedures Manual for the use of biodiversity was supposed to be finished by 2014, but it will be finalized in 2015 in order to include topics related to biodiversity conservation and sustainability, providing a practical addition to our program and serving as a guideline for the communities that work with Beraca.

## **3. Appointing a responsible individual within the company to steer all the activities in the biodiversity sector and report to the Management Board;**

- Malena Araújo, Biodiversity Manager - Responsible for managing all activities associated with the biodiversity field.
- Thiago Terada, Sustainability Manager - Responsible for coordinating all of Beraca's corporate activities concerning sustainability and genetic resources as well as assisting the biodiversity area in creating policies, planning and building institutional-governmental relationships.

## **4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years;**

Beraca has defined goals in its strategic planning document to reduce the company's carbon footprint, waste and water use in all its units. These aspects are constantly measured to provide information about what needs to improve and what may serve as a model to other business units. After reaching the established goals, a new strategy will be implemented to continuously minimize Beraca's negative environmental impact. The goals for 2013-2014 were to use alternative sources of water and energy in our business units and improve our recycling process. All units, with exception of São Paulo, use rain water for secondary activities like supplying the hydrant system or bathrooms and also use alternative sources of energy as biomass, solar power and natural gas. The material considered useless is destined to proper industries and we are working to make employees aware of the importance of this practice and enhance numbers of recycling by 10%. The goals for 2015-2016 are to reduce water and energy consumption by 15% and 10% respectively, and increase reuse of water and use of rain water by 15% in each operational unit.

As reported previously, Beraca, L'Oreal and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit - German agency for international development cooperation) signed a two year cooperation agreement to promote sustainable development in the Amazon and assist families linked to agro-harvesting. During 2013 and 2014, three hundred families in 24 municipalities in the Amazon region were supported for the socioeconomic sustainable development of harvesting activities of raw material; during 18 months were sponsored trainings and organic certifications to families that did not have organic certificate before. A seed dryer and personal protection equipment were donated to cooperative named COOMAC, in city of Bragança (PA) to improve their work safety and seed quality. At last, members of Furo do Gil, located in municipality of Breves (PA) received trainings and orientation of how to manage the cooperative and have good practices at work.

Through a partnership with the University of São Paulo, Beraca is assessing the results achieved with the creation of cooperatives and associations by means of investigating health, education and environmental-related benefits that have arisen from this partnership. Beraca uses information obtained by the University of São Paulo in regular meetings with the communities, BERACOM stakeholder meetings, and training sessions to help associations and cooperatives create a better work environment. Union for Ethical Bioproducts standards are also used to reinforce Beraca's policies on labor-related risks, child labor, slave working conditions and accident prevention programs during meetings, trainings and other sorts of communication with the communities.

#### **5. Publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report;**

Beraca's sustainability reports are prepared every two years, with the next report scheduled to be released in August 2015. It will cover the 2013/2014 period, and will include information on the activities that were carried out and the results achieved in the biodiversity field.

The 2011/2012 sustainability report also contains information on biodiversity and is available at <http://www.beraca.com/rs/en/>

#### **6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step;**

Beraca's Sociobiodiversity Enhancement Program<sup>®</sup> is available to all suppliers in order to promote sustainable development and biodiversity conservation where it operates. Beraca makes regular inspections to ensure quality and sustainability of the harvesting process and also holds regular meetings with community leaders to make adjustments to price and production, which allow for a transparent purchase process for all the families involved.

In order to improve Beraca's relationship with partners and supplier communities, every year the company organizes the BERACOM, a meeting that aims at giving an opportunity for all stakeholders involved to share their knowledge and experiences related to biodiversity.

The IV BERACOM took place in the city of Belém (Pará) on November 20th to 22nd 2013, and was attended by 42 community leaders. In 2014, Beraca held two regional BERACOM meetings: the first one in Ilha do Marajó (Pará) on November 18th 2014, and the second one in Bom Jesus (Piauí) on December 12th 2014. They were attended by 97 people in total. The events addressed topics such as production, commercialization, logistics, legal aspects, child labor, workplace safety, organic certification, ethical supply and forest management.

### **7. Exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions, with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain.**

It is part of Beraca's culture to seek for partnerships in order to improve its practices and offer more advantages to its stakeholders. As a result of Beraca's pioneering activities, there are around 15 partnerships in place to coordinate specific projects on biodiversity conservation and local community empowerment. The project called PACE ("Piauí: Water, Citizenship and Education") is an example of how Beraca liaises with local partner communities to achieve positive impacts on social, economic and environmental levels. The city of Curimatá is located in a region that suffers from deforestation and where rivers are being threatened by a desertification process. Beraca designed a project that aims at promoting access to drinking water, improved education and increased income, all connected to Beraca's knowledge on water treatment and biodiversity conservation. Since 2013, six wells were built, 11 million liters of water were extracted and treated per year, three schools were renovated and a community center was built to promote cultural and educational activities. The relationship with suppliers has also resulted in the narrowing of the raw material supply chain, incentives to organic farming, and productivity increase, among other benefits that came from Beraca's use of PACE as a tool to improve quality of life in communities that could not envision their lives any other way.

A Rocha is a non for profit organization that worked with Beraca on environmental conservation, education and research until 2014. A Rocha was responsible for collecting qualitative and quantitative data from each community that is part of the Sociobiodiversity Enhancement Program® and were partner at the BERACOM meetings. Now Beraca established partnership with the University of São Paulo to assess the positive impacts of the program on supplier communities. They range from improved compliance regarding the fishing prohibition period to decreased deforestation and higher school attendance, which may have resulted from Beraca's relationships with these communities.

In the area of government, Beraca has strengthened its relationship with the Ministry of Agrarian Development and the Ministry of Environment - the main contacts within the Brazilian federal government for topics related to biodiversity. In 2011-2012 report mentioned the "Organic and Sustainable Cup" project that aimed to promote organic and sustainable products but it was cancelled by the government.

#### References:

[http://www.beraca.com/rs/en/assets/pdf/rs\\_beraca\\_2007\\_2008\\_en.pdf](http://www.beraca.com/rs/en/assets/pdf/rs_beraca_2007_2008_en.pdf)

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