

Letter from NBS Brazil Alliance in support of SBTi's Board of Trustees

April 22, 2024

Dear SBTi Board of Trustees,

The Nature-Based Solutions Brazil Alliance (NBS Brazil Alliance), an association leading efforts against deforestation and environmental degradation, and representing organizations responsible for over 70% of carbon credits issued in Brazil (AFOLU), expresses its full support for the SBTi's announcement to revise its Net Zero Corporate Emissions Standard. The inclusion of carbon offsetting through carbon credits as part of companies' scope 3 decarbonization strategies is a significant step forward in addressing the urgent challenges posed by climate change.

This change is welcomed as it recognizes the importance of comprehensive, evidence-based action to tackle scope 3 emissions. Moreover, it acknowledges the crucial role of nature-based solutions in effectively and sustainably achieving emission reduction goals, potentially serving as a catalyst for a faster transition between current and new production models.

SBTi's recognition presents an opportunity for developing countries, especially for the Brazilian Amazon, as it may encourage innovation in NBS-related markets and strengthen financial mechanisms aimed at conserving and restoring native vegetation areas, generating income, and enabling the social development of local communities, indigenous peoples, and traditional communities, who have historically been responsible for forest preservation, without which, it cannot be overstated, there is no solution to meet the goals set by the UNFCCC. This could lead to improvements in territorial management and protection and grant greater autonomy to local communities.

By expanding the use of environmental attribute certificates for offsetting scope 3 emissions, SBTi is unlocking financing, promoting climate ambition, and enabling companies worldwide to adopt more responsible and sustainable practices in their supply chains, thus contributing to global mitigation efforts.

Indeed, "when properly supported by policies, standards and procedures based on scientific evidence, the use of environmental attribute certificates for abatement

purposes on Scope 3 emissions could function as an additional tool to tackle climate change."

Clearly, the possibility of using environmental credits must be accompanied by measures ensuring the integrity and transparency of scope 3 emissions mitigation actions. NBS Brazil Alliance fully trusts SBTi's capacity and potential to adopt the necessary measures for this purpose.

Finally, a [recent review of scientific articles](#), released in late March in the journal Nature Climate Change, provides evidence that activities generating carbon credits through Nature-Based Solutions (NBS), such as tropical forest conservation and restoration, are among the most effective solutions for mitigating global warming from a strictly climatic standpoint. Therefore, NBS Brazil Alliance believes there is sufficient evidence for SBTi to confirm the understanding that this mechanism is a complementary solution to combating the current global climate crisis, and stands ready to assist in this healthy and necessary debate.

Janaina Dallan
President
NBS Brazil Alliance
