



ENGAGEMENT AND COMMUNICATIONS GUIDE FOR THE PCI STRATEGY AND THE PCI INSTITUTE

PRIVATE COMPANIES

Implementation Team

COORDINATION

Fernando Sampaio

Executive diretor
PCI Institute

Ricardo Woldmar

Project manager
PCI Institute

Alice Thuault

Executive diretor
ICV

TECHNICAL CONTENT

Cecilia Korber Goncalves

Sustainability Consultant
Kultiva Consultoria em Sustentabilidade

Louise Nakagawa

Sustainability Consultant
Kultiva Consultoria em Sustentabilidade

SUPPORT

Patrick Mallet

Director, Innovations
ISEAL Alliance

David D'Hollander

Manager, Policy and Innovations
ISEAL Alliance

Billie Wilcox Brooke

Sustainability Innovation, Senior
Project Coordinator
ISEAL Alliance

PHOTOS

Images/ICV

GRAPHIC DESIGN

W5 Publicidade

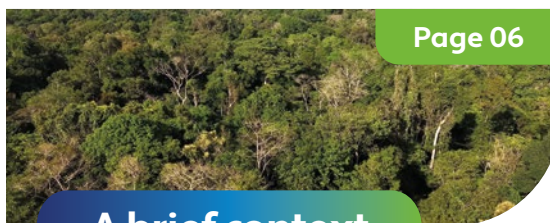
February 2022

Summary



Page 04

Summary



Page 06

A brief context



Page 09

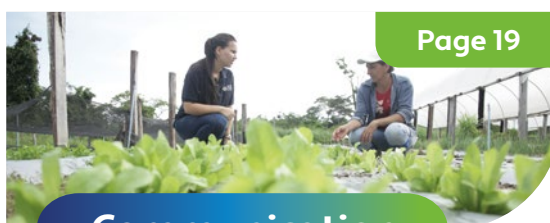
Objective



Page 10

PCI Strategy

<i>Why joining PCI?</i>	<i>10</i>
<i>Engagement categories.....</i>	<i>11</i>
<i>How to be part of PCI?.....</i>	<i>13</i>
<i>Advantages and opportunities.....</i>	<i>18</i>



Page 19

Communication

<i>Examples</i>	<i>21</i>
<i>Tone of voice.....</i>	<i>24</i>



Page 27

Annexes



Summary

Jurisdictional initiatives such as the Produce, Conserve and Include Strategy of Mato Grosso assume the collaboration of multiple public and private actors for the sustainable development of a territory.

By engaging in territories through actions and supporting jurisdictional initiatives, companies reduce risks in their supply chains by improving their performance and contributing to local development. This document is designed to improve companies' understanding of the different possibilities for private sector engagement in the PCI.

FIGURE 1

Summarised diagram of categories for companies to engage in the PCI Strategy

LEADER

Be a funder for a period of at least one year in projects and actions in the three axes of the PCI

Be an associate member of the PCI Institute*

SUPPORTER

Be a funder for a period of at least one year in projects and actions in at least one PCI axis

MULTIPLIER

Signing of the public letter of commitment to the PCI strategy

Participation in the CoAG (Corporate Action Group)

* Founders, Advisory Board and Members of the Monitoring Committee and Investment Committee

FIGURE 2

Examples of contributions that companies can make to support the PCI Strategy

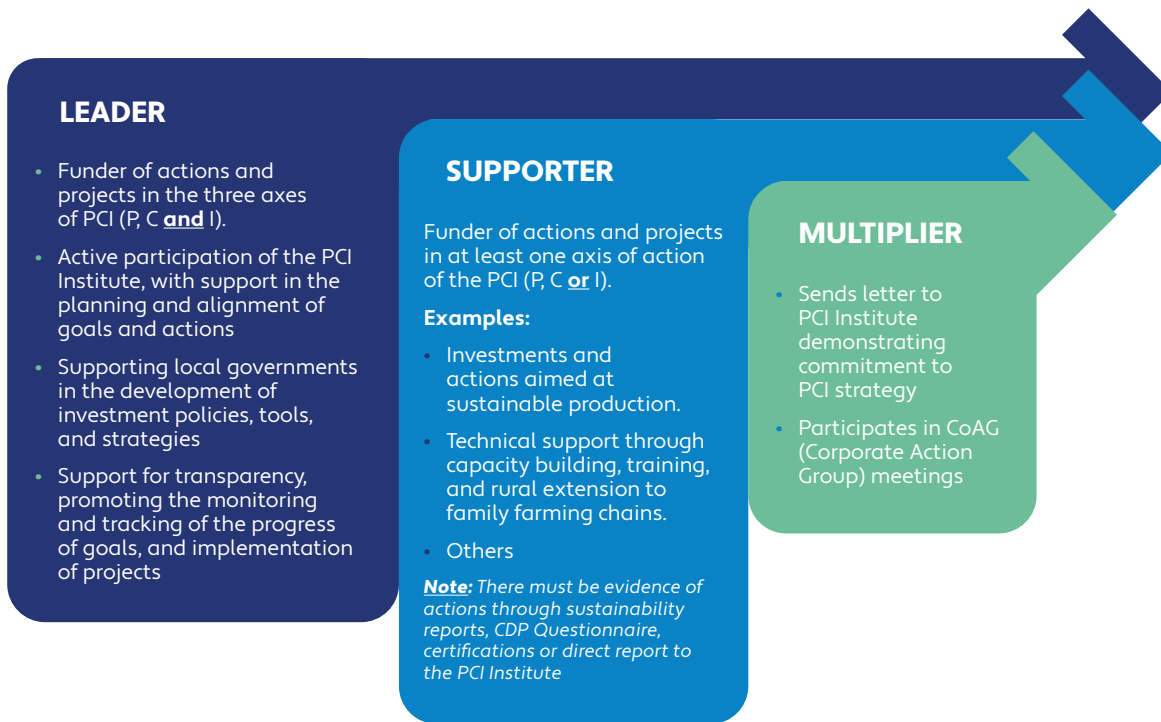
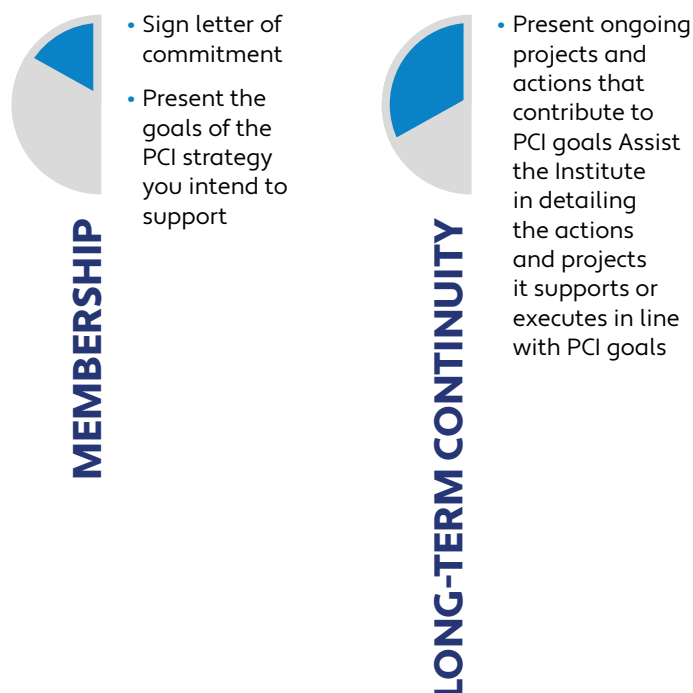


FIGURE 3

Membership and long-term continuity of engagement in PCI





A brief context

The Produce, Conserve and Include Strategy (PCI) was presented by the Mato Grosso State Government at the Conference on Climate Change (COP 21), in Paris (France) in 2015. It was created for the purpose of **obtaining funding for the State of Mato Grosso** in its efforts to **reduce carbon emissions**, through **controlling deforestation and promoting a low carbon economy**, that will expand and increase:

- Efficiency in agricultural and ranching production;
- Conserving forests and remnants of native vegetation;
- Restoration of environmental liabilities;
- Socioeconomic inclusion of family farmers, indigenous peoples and traditional populations.

That strategy came about through **collective and participatory efforts** from the various Mato Grosso state secretariats and representatives of non-governmental organisations and private companies, with the assumption that **achieving good results requires partnership between the public sector, the private sector and civil society**, around a **common social interest**.

In 2019, the PCI Strategy began a new phase with creation of the PCI Institute – an independent not-for profit entity – **that seeks to ensure the effectiveness of the PCI Strategy, and is responsible for articulating multiple actors in a transparent and inclusive governance, as well as identifying opportunities for raising funds and managing programmes and projects**.

What are the current goals of the PCI Strategy?

In 2020, the PCI Institute Board of Directors approved a Work Plan, which included a process for participatory assessment of the Strategy and for updating its goals and indicators. That process was carried out collaboratively, with representatives of about 28 entities present in the State of Mato Grosso.

On 25 October 2021, **Mato Grosso announced its commitment to climate neutrality through its Decarbonisation Trajectories**. The goal of reducing the state's emissions was incorporated into the set of goals of the PCI Strategy. The updated goals in line with the pillars of the Strategy, are:

PRODUCE (P)

- Recover 2.5 million hectares of low productivity pasture areas by 2030;
- Increase ranching productivity to 116 kg/ha/year by 2030;
- Expand the area planted in grains in degraded pastures to 14.69 million hectares by 2030;
- Increase grain production to 125 million tonnes by 2030;
- Expand the area under sustainable forest management to 6 million hectares by 2030;
- Increase production of planted timber to 11.75 million m³ by 2030;
- Expand planted forests in areas already opened to 800 thousand hectares by 2030;
- Increase production of biofuels to 13 million m³ by 2030.

CONSERVE (C)

- Maintain 60% of the forest cover in the State of Mato Grosso;
- Reduce deforestation by 90% in the Amazon biome by 2030, with 84% by 2024 using as a reference the baseline: 2001-2010 (PRODES) of 5,714 km², reaching 571km²/year by 2030;
- Reduce deforestation in 95% in the Cerrado biome by 2030, with 83% by 2024 using as a reference the baseline of 3,016 km² (SEMA), reaching 150 km²/year by 2030;
- Eliminate illegal deforestation by 2030;
- Reduce hotspots related to deforestation by 30%, compared to the reference period of 2010 to 2019 (28,300 points) by 2030;
- Eliminate illegal logging by 2030;
- Conserve 1 million hectares of area that could be legally deforested;
- Register 90% of rural properties (CAR) and validate them by 2024;

- Regularise 1 million hectares (100%) of degraded Permanent Preservation Areas (APP) by 2030;
- Regularise 5.8 million hectares (100%) of Legal Reserve, of which 1.9 million should be recomposed, by 2030.

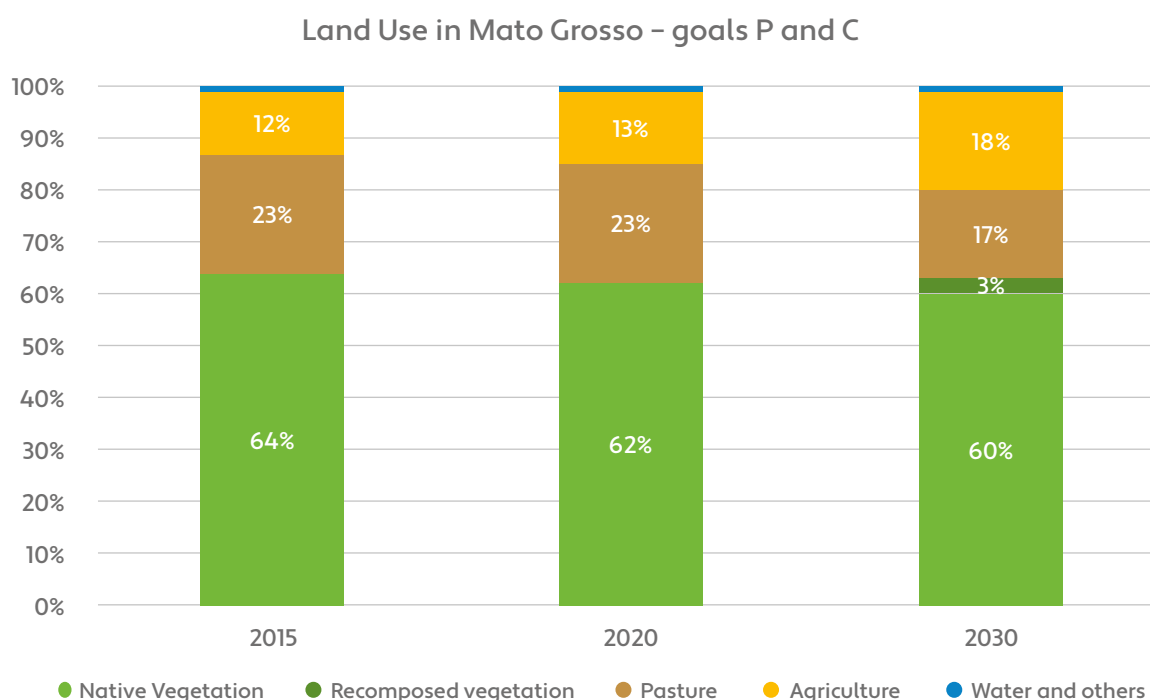
INCLUDE (I)

- 100% of adherence of municipalities to the State Family Agriculture System (SEIAF) by 2030;
- Increase the Gross Production Value of family agriculture from 1.2 billion to BRL 2 billion by 2030;
- Expand the share of products from family agriculture in the National School Lunch Programme (PNAE) by 30% by 2030;
- Increase access to credit from BRL 882 million to BRL1,3 billion/year by 2030;
- Carry out land title regularisation of 70% of family agriculture plots by 2030;
- Indigenous socio-production inclusion.

The graph below presents a simplified view of the ambitions of the PCI Strategy regarding the goals for production and conservation in Mato Grosso:

FIGURE 4

% of land use in Mato Grosso, for the Produce and Conserve pillars





Objective

What is objective of this guide and who is it directed to?

Over the past few years, the PCI Strategy has been achieving projection in Brazil and abroad and is considered a leader in jurisdictional sustainability that has promoted sustainable development in the State of Mato Grosso through its development and implementation of ambitious regional goals.

In that regard, the **purpose of this guide is to:**

- 1 Introduce companies to the different categories of engagement in the PCI Strategy, their roles and responsibilities, and the opportunities and benefits involved;
- 2 Clarify and assist in the way companies communicate their relationship and performance within the PCI Strategy, mobilizing greater engagement and adhesion of other companies in order to strengthen the Strategy.

This guide is for **communicating with:**

- a Companies with commitments and performance in the low carbon agriculture, climate, forests and socio-productive inclusion agendas that act directly or indirectly in the State of Mato Grosso;
- b Companies from any link in the Mato Grosso production chains interested in jurisdictional approaches;
- c Companies interested in connecting to the PCI Strategy and projects related to the implementation of this Strategy.



PCI Strategy

Why adhere to the PCI Strategy?

For **private companies that operate in the State of Mato Grosso**, the PCI Strategy can provide a broad range of **opportunities**, such as:

- Attract funding for partnerships and international cooperation to foster actions connected to the Strategy;
- Connect public and private initiative to meet the objectives proposed by the Strategy, with a focus on efficient land use and promotion of a sustainable territory;
- Help to ensure a low-risk environment for private sectors in both supply and investment, contribute towards leveraging new business in the state, expand markets and improve the image of producers and the State itself, by showcasing the initiatives present in Mato Grosso on an international stage;
- Test new economic incentives and financial mechanisms such as specific credit lines, mechanisms for reducing risk for investors, offset mechanisms, green bonds, certification and others;
- Share knowledge in solutions for intensification, good practices and forest restoration;
- Be an engine for implementing and monitoring public policies;
- Generate intelligence and collective knowledge for public and private actions.

Besides the opportunities listed above, the format for implementing the Strategy offers **advantages for private funding and/or beneficiary companies** operating inside and outside the state, such as:

- Enabling transparency, predictability, optimisation in applying funds, effectiveness, scalability and leveraging of new funding, as well as gains in financial management efficiency and minimising operating costs due to gains in scale;
- Allowing consolidation of a long-term policy, through a governance instrument that will encourage public participating independent of political cycles and thus guarantee continuity for the Strategy.

What are the categories of private companies that can participate in the PCI Strategy?

The category in which each company is placed **depends on the level of engagement of those organisations in the PCI Strategy**. There are three categories, defined according to the commitment of the participating companies. Each category is described below, along with the necessary requirements for entry and the type of institutional involvement required.

MULTIPLIER

The multiplier company has a profile to multiply/disseminate, not only the PCI Strategy and goals, but also to invite and engage its network to get to know and adhere to the PCI. If a privately-owned companies, must also participate in the Corporate Action Group (CoAG).

SUPPORTER

In addition to the actions of the multiplier category, the company must be a funder for a period of at least one year in projects and actions in at least one axis of the PCI, including annual communication of the progress of its actions.

LEADER

In addition to the actions of the multiplier category, the company must be a supporter for a period of at least one year in projects and actions in the three axes of PCI, including annual communication of the progress of its actions. Additionally, the company must be an associate member of the PCI Institute via participation as Founders, members of the Advisory Board and Members of the Monitoring Committee and Investment Committee. In this way, the company will be directly involved in the structuring, development, management and implementation of the PCI Strategy.



CORPORATE ACTION GROUP (COAG)

CoAG a multi-actor governance effort, since it has representatives from civil society and the private sector.

Its purpose is to be a space, a) for facilitating corporate involvement in local projects, or opportunities that support the goals of the PCI Strategy, b) aligning corporate commitments with the jurisdictional approach in the State of Mato Grosso, and c) a channel for feedback from the companies regarding the PCI Strategy, from a corporate perspective.

All of the companies can participate in the Corporate Action Group.



LEARN MORE

To learn more about how those categories were defined and how they related to other platforms for corporate engagement in jurisdictional initiatives, see appendix 1.

How to become a member of the PCI Strategy and how to ensure long-term participation?

Below are highlighted the categories and the requirements for both affiliating participating companies and for follow up by organisations that are already engaged with the Strategy.

TABLE 1

Responsibilities assigned to each one of the categories for companies engaging with the PCI Strategy

Category	Responsibilities	Membership requirements		Continuity
		New associates	Existing PCI members	
Multiplier	Signing the letter of commitment to the PCI strategy	Send a letter to Instituto PCI	-	-
	<i>Participation of the CoAG (Corporate Action Group)</i>	Have attended at least one CoAG meeting	-	Participation in 50% of meetings
Supporter	Funder of projects and actions in at least one PCI axis	Public information and/or information sent directly to the PCI Institute	-	Public information must be within the last 2 years or within 3 months of request from the PCI Institute.
Leader	Funder of projects and actions in the three axes of PCI		-	
	Be an associate member of the PCI Institute*	Send a letter of interest in joining the PCI Institute	-	-

* Advisory Board, Monitoring Committee, Investment Committee and/or Donors Table

Initially, can demonstrate their intention or tell how they are already engaged with the PCI Strategy, sending a list of actions and projects that contribute towards the PCI goals through filling out the summarised model form presented in appendix 2.

After the company formally affiliates with the PCI Strategy it informs the goals that it intends to support, in order to optimise the addition of information on actions and projects that contribute towards strategic goals. Every year the PCI will use as inputs the information already made publicly available by the companies in their **Annual Sustainability Reports**, progress reports with a goal of reducing deforestation, the response to the **CDP Forest Questionnaire** and information on **socioenvironmental certifications** such as FSC, RTRS, and others. Information on purchases of commodities do Mato Grosso must be based on a robust system for monitoring suppliers and traceability for products. It is recommended that the companies present indicators related to the goal, such as a metric for traceability of the action that led to conclusion of that given metric, in other words, an explanation of how the company constructed the indicators.

These are transparency mechanisms recognised by society, with specific methodologies that increase the credibility of the information that is being reported (exactness, clarity, reliability, etc.). It is recommended that the companies have third party verification of the Sustainability Reports, to assure that the information reported therein is correct and complete. It is also recommended that companies follow guidelines prepared by ISEAL in the Practice Guide “**Effective Company Actions in Landscapes and Jurisdictions**” ([link](#)).

As a complementary measure, the PCI may request additional information from the companies about their actions and projects, such as photos, testimonies or updated indicators than can become part of the PCI project portfolio, but it is also recommended that the complete information about their engagement and contribution to the PCI goals be made publicly available.

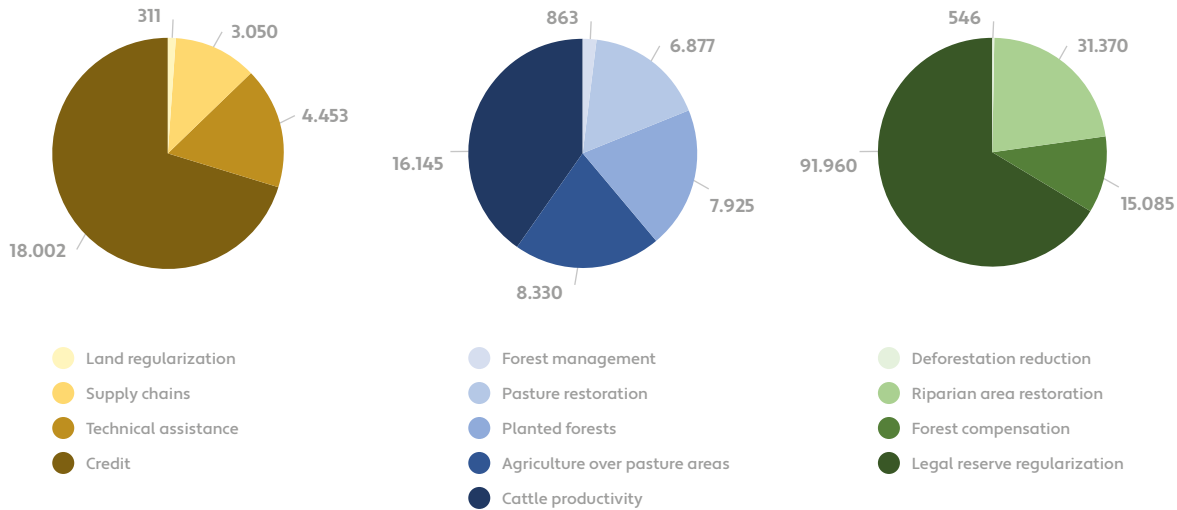
How can companies act through the PCI Strategy?

Private companies can be engaged in different ways. They can accumulate and integrate different strategies and actions, according to the type of engagement they intend to promote/implement. The range of projects and actions is quite broad and it should be noted that much has been invested in those strategies. According to the most recent data published by PCI, the distribution of funds for the coming years up to 2030 will demand around BRL 240 billion, allocated according to the themes of Produce, Conserve and Include, as show in the Figure below.

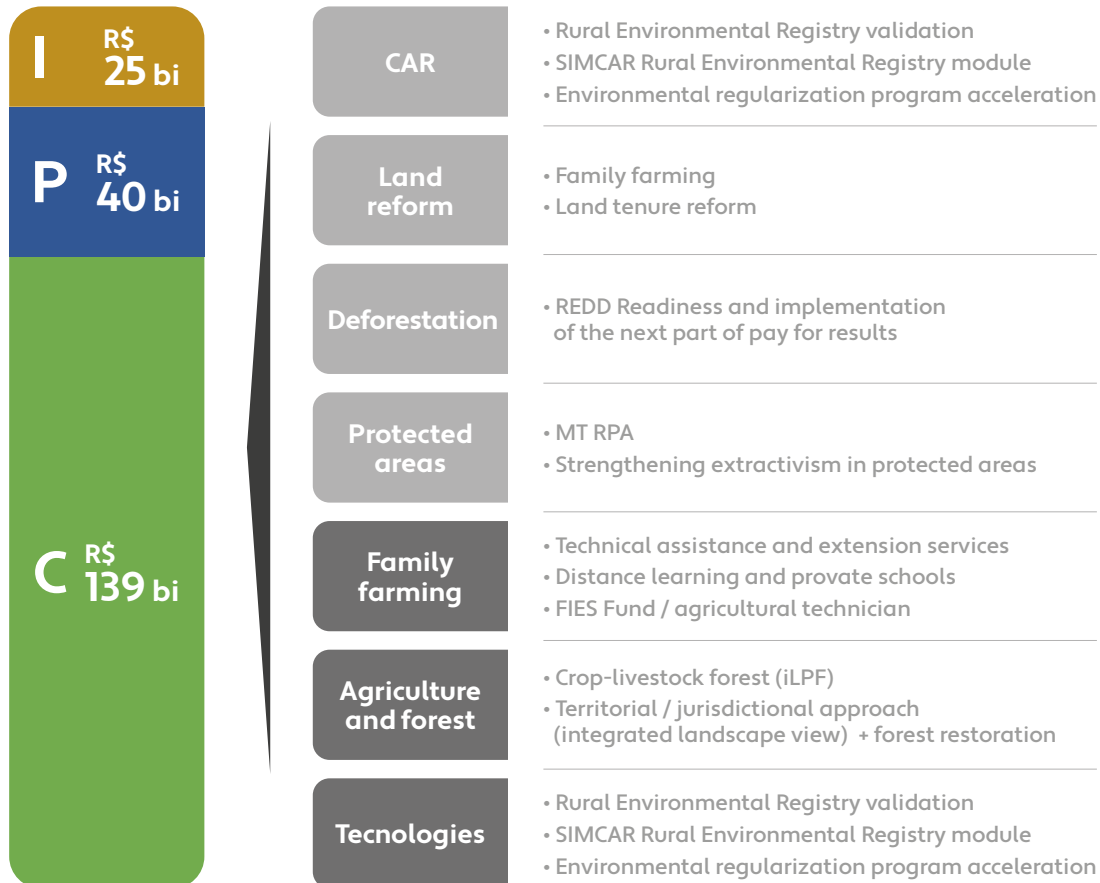
FIGURE 5

Total demand for funding of the PCI Strategy from 2021 to 2030: distribution of funds by pillar and goal (in billions of Brazilian reais) (PCI and IIS, 2021)

AREAS FOR ACTION



PRIORITY THEMES



Some examples obtained from jurisdictional initiatives are presented as follows and can help inform the manner in which the organisations intend/can/wish to act.

It is expected that the multiplier, supporter and leader companies will:

- Be multiplying organisations that disseminate the PCI Strategy, and its goals to contacts and partners in their value chains through their channels and communication networks, but also through invitations, conversations and regional and international policy alignments.

It is expected, above all, that supporter and leader companies will:

- Support projects and actions aligned with the PCI goals and their different pillars.
- Commit to the ending of illegal deforestation and reduction of deforestation.
- Commit to forest offsets and restoration, and regularisation of Legal Reserve areas.
- Support adoption of best practices for management and production, through capacity-building, training and extension services.
- Increase investments sustainable production, with a view to the use and recovery of degraded pastures areas, and an increase in productivity (adopting low-carbon agriculture techniques, such as recovering degraded pastures, direct planting, ICLFS, biological management and control of invasive species).
- Facilitate the transfer of technology and knowledge to producing companies.
- Purchase carbon credits and/or fund other ecosystem services (REDD+ initiative, PES programmes).
- Encourage governmental policies and fiscal incentives that support production aligned with the PCI goals and their different pillars.
- Support alternative activities and practices while respective local lifestyles.

It is expected, above all, that the leader companies will (Founders, Advisory Board and Members of the Monitoring Committee and Investment Committee):

- Financially or technically support development of the PCI Strategy.
- Actively participate in the PCI Institute, providing support for planning and alignment of goals and actions.

- Support local governments in developing policies, tools and strategies for jurisdictional investments.
- Support transparency, promoting the importance of monitoring and follow-up of progress in achieving goals and implementing projects.

In addition to the expected action that each category may perform, there is also a differentiated type of action that the private companies can adopt in their corporate strategy regardless of their categories as leaders, supporters or multipliers. Known as **preferential supply/sourcing**, the idea is that those organisations should give preference to commodities produced by partners of the PCI Strategy . To that end, it is expected that those private companies will:

- Commit to the origin of the PCI projects as a way to signal that sustainable development increases access to markets.
- Align their sourcing requirements under the terms of the contract with the supplier with the PCI goals.
- Offer the best financing conditions to companies engaged in actions at the landscape level by implementing best practices through long-term supply contracts, minimum prices or premiums.
- Collaborate on joint traceability for commodities.

THE ROLE AND RELEVANCE OF MOBILISATION INITIATIVES

These are institutions that help in engaging private companies to be part of the PCI Strategy, or invest in projects in the State of Mato Grosso. They are organisations that can assist with developing bold projects with major chances of being funded by international entities and gaining visibility in the market.

The CDP, Environmental Defense Fund (EDF), Earth Innovation Institute (EII), Earthworm, The Sustainable Trade Initiative (IDH), ISEAL, Proforest, Consumer Goods Forum (CGF), Soft Commodity Forum (SCF), Tropical Forest Alliance (TFA) are examples of convening initiatives.

Count on them!

What are the advantages and opportunities that each category can offer to the affiliated companies?

When they affiliate with the PCI Strategy, the participating private companies **have certain advantages** in linking their brand to PCI. That is because the Institute as well as the Strategy have a consolidated **legitimacy** on the international market, and a notable role in the context of debates related to climate changes. Furthermore, they also are offered **opportunities for disseminating projects supported** not only in Brazil, but on the SourceUp international platform, which gives even more **credibility** to activities by the companies participating in the Source Up PCI Strategy.

It should be noted that another important advantage is **working in networks with other organisations**, thinking of preparing strategies and solutions for the value chains in which the companies are involved. There is also the possibility of influencing the development and improvement of the PCI Strategy goals. All of this will depend on the category in which the companies are engaged, as will be detailed below.

TABLE 2

Advantages and opportunities for the categories in which companies are engaged in the PCI Strategy

CATEGORY	ADVANTAGES AND OPPORTUNITIES
Multiplier	<ul style="list-style-type: none"> • The company logo is presented on the PCI Institute site as a participant in CoAG (if a private company)
Supporter	<ul style="list-style-type: none"> • The company logo is presented on the PCI Institute site as a participant in CoAG • The actions and projects that the company supports or carries out may be included in the PCI project portfolio (Pitchbook PCI)
Leader	<ul style="list-style-type: none"> • The company logo is presented on the PCI Institute site as an associate member • The actions and projects that the company supports or carries out may be included in the PCI project portfolio (Pitchbook PCI)



Communication

How to communicate individual actions by the companies that are part of the PCI Strategy?

Communications by the companies involved in the Strategy with the public and media in general should transmit the vision **for the future of production that is committed to forest conservation and social inclusion.**

All of the private companies can communicate with third parties regarding their participation in construction of the PCI Strategy, in implementing its goals or their involvement with the Institute. However, is important that communication take into account PCI key points described below.

Key messages of the PCI

- 1 The vision of the PCI Institute for the State of Mato Grosso is to **achieve social and economic development through sustainable land use.** To that end the initiative seeks to promote: expansion of agriculture and ranching production through intensifying and optimising land use; restoration of assets in Legal Reserve and APP areas, and; inclusion of family farmers, indigenous peoples and traditional communities in the development process.
- 2 The PCI Strategy is expressed through a broad plan involving goals for its three pillars, built through a **participatory process that integrates the agendas of public and private stakeholders and civil society.**
- 3 The path towards sustainable development in Mato Grosso lies in the **effective implementation of the commitments assumed** by the participants in the initiative, through achieving the goals of the PCI Strategy.

- 4 The goals of the PCI Strategy **directly contribute to the Nationally Determined Contribution** (NDC) from Brazil to the United Nations **Sustainable Development Goals** (ODS).
- 5 The PCI Strategy has **strengthened the intake of partnerships and projects** that support not only the initiative, but a series of actions directed towards **connecting investors, buyers, companies and partners** in the territory.
- 6 Since its implementation in 2016, **the goals and indicators of the PCI Strategy have been undergoing refinements**, in line with advances in the climate and socioenvironmental agenda. That has led to **commitments that are increasingly more ambitious and robust**. All of this emphasises that efforts employed from now on should continue on this path of promoting continuous improvements to the Strategy.
- 7 The PCI Strategy **articulates proactively between sectors and reinforces the importance of committing to actions that search for solutions**, promoting dialogue between the productive sector, governments and civil society.

Communicating engagement by companies por category

TABLE 3

Messages that can be used by each category of company engagement with the PCI Strategy

CATEGORY	MESSAGE
Multiplier	<ul style="list-style-type: none"> • We participate in the Corporate Action Group (CoAG) • We support the PCI Strategy
Supporter	<ul style="list-style-type: none"> • We participate in the CoAG • We are partners of the PCI Strategy and we support actions and projects that contribute to the goals of the PCI Strategy • We work together to create solutions for the value chains we are involved in
Leader	<ul style="list-style-type: none"> • We participate in the CoAG • We are partners of the PCI Strategy and develop actions and projects that contribute to the goals of the PCI Strategy • We work together to create solutions for the value chains we are involved in • We participate in the structuring, development, management and implementation of the PCI Strategy and lead the agenda/strategy for meeting the PCI goals

Examples of how companies can work using the PCI Strategy, and how that can be measured individually.

When private companies sign on to the PCI Strategy, it is important for them to engage, for the purpose of disseminating their support and participation, but also to **demonstrate how they are contributing to the PCI goals, and the actions that they are implementing.**

To become engaged, companies need to commit to the PCI Strategy by signing a statement affirming that they directly or indirectly support the development of PCI goals in the State of Mato Grosso. After that, the company needs to align its activities and policies with the PCI and its goals.

Likewise, to **demonstrate their contribution to the PCI**, organisations must present the actions they are carrying out and which are in line with the PCI Strategy. Those actions preferably should be underway, but they can also present a projection of the expected results, according to information such as:

- **Scope, extension and scale of the project:** number of persons benefitted, area of action, volume of commodity or 'sustainable products'.
- **Time scale:** period for implementing the actions and progress obtained so far.
- **Role and responsibility:** determine if the contribution is in collaboration with other parties and the company's responsibility (leading, supporting, funding).
- **Intensity:** determine the percentage of the total supply chain that the project represents or the amount of the financial contribution (how much of its business volume the amount invested represents, or the volume sold of the commodity or 'sustainable products').

The company's engagement and contribution must be guided by the goals of the PCI Strategy. To that end, here are some examples:

Reducing deforestation: One of the main objectives of the private companies affiliated in the State of Mato Grosso is to eliminate deforestation from its value chains in the next few years. In that regard, one way of contributing, according to the PCI goals, is to contribute towards **eliminating illegal deforestation by 2030, maintaining native vegetation and reducing the clearing of new areas by 90% in the Amazon and 95% in the Cerrado, and also reduce the hotspots associated with deforestation by 30%, compared to the reference period of 2010 to 2019 by 2030.** In 2020, the result of the goal 'Reduce deforestation in forest areas by 90% by 2030', was 1,779 km² according to Prodes, a 69% reduction; and the goal 'reduce 30% of hotspots' achieved a 69% reduction.

- **Contributing towards the goal:** A company that is committed to sourcing only commodities free of illegal deforestation is aligned with the PCI Strategy-MT goal of **eliminating illegal deforestation by 2030**. A company can commit to **monitor hotspots associated with deforestation** in its areas of direct and indirect supply of commodities originating in Mato Grosso.
- **Actions and projects:** Geomonitoring, product traceability, support for regularising CAR, engagement of suppliers, involvement with SCF to increase traceability for direct and indirect suppliers.

Expanding sustainable production: One of the main interests for private companies that operate in Mato Grosso is increasing production in a sustainable manner, without the need for opening new areas. In that regard, one way of contributing, according to the PCI goals, is by **expanding the productive area into degraded pastures, increasing productivity and intensifying ranching, or recuperating a percentage of the native vegetation**.

- **Contributing towards the goal:** A company can commit to recuperating 2.5 thousand hectares of degraded pasture in order to expand its production, for example. That percentage is its way of contributing to the goal of **recuperating 2.5 million hectares of low productivity pasture areas by 2030**.
- **Actions and projects:** Seek funding and partnerships with other organisations that invest in recuperating degraded pastures; provide technical support to producers in the region who have degraded pastures; support research to increase productivity of the pastures.

Generating greater inclusion of family agriculture: The private companies located in the State of Mato Grosso are known for their high technological capacity and strongly consolidated agricultural production. In that regard, one way of contributing, according to the PCI goals, is **to offer technical and financial capacity-building to family farmers in the state**, so that they are able to improve their production and increase their presence in the market.

- **Contributing towards the goal:** A company can support small producers with regularising their properties in the municipality where it has productive activities, contributing towards **achieving 70% of family agriculture properties regularized 2030**.
- **Actions and projects:** Support for land-title regularisation.

Conservation of forest cover: To maintain the legitimacy of their activities, it is vital for the private companies that operate in the State of Mato Grosso to conserve their areas under native vegetation. In that regard, one way of contributing, according to

the PCI goals, **is to conserve a large area of lands eligible for legal deforestation on their properties.**

- **Contributing towards the goal:** A company that monitors its direct and indirect cattle suppliers and that tracks its beef production contributes enormously to the goal of **maintaining 60% of the state's forest cover and the goal of conserving 1M ha of area eligible for legal deforestation.**
- **Actions and projects:** Geomonitoring, product traceability, support for regularising Legal Reserve areas in CAR, offsets and forest restoration.

Increasing production of biofuels: the State of Mato Grosso has major potential for increasing its supply of biofuels through its agricultural production. With that, it can serve companies from all around the country that have the objective of reducing greenhouse gas emissions through using renewable sources that are less polluting, with high energy efficiency and low carbon emissions. In that regard, one way of contributing, according to the PCI goals, **is by increasing the production and use of biodiesel and ethanol.**

- **Contributing towards the goal:** A company that produces grains such as corn and soy or sugar cane, inputs that are widely used for producing ethanol and biodiesel, contributes enormously to the goal of **increasing production of biofuels to 13 million m³ by 2030.**
- **Actions and projects:** Investments in technological innovations.

We have shown in these examples how companies can communicate ways that they are contributing to the PCI Strategy. In appendix 3 we also present how companies, may, if they wish, measure their contributions to the results of the PCI goals and to the performance of the PCI Strategy.





Tone of voice

Communication of the PCI Strategy should emphasise the engagement, contribution and results achieved by the private companies. Such clarity and consistency will enable concrete actions and the mobilisation of new partners, buyers, funders and investors in initiatives and projects developed on the State of Mato Grosso.

Based on those principles, communication with the public must consider **four pillars** that make up the tone of voice used:

Constructive

Summary: We build bridges between stakeholders committed to the goals of the PCI Strategy. We are part of the PCI Institute, and are participating in the Strategy. That means that the company is involved in PCI governance, proposing improvements and enhancement of the goals and indicators and in the way they are implemented.

- **What the Supporters and Leaders can say:** ‘Our activities are aligned with the goals of the PCI Strategy. We implement advances together to achieve the PCI goals in the State of Mato Grosso.’
- **What the Multipliers can say:** ‘Our activities help to disseminate/spread the importance of the PCI Strategy focused on the development of jurisdictional solutions.’

Cooperative

Summary: We support the PCI Institute, investing in projects connected to the Strategy. We capacitate our suppliers, always in line with the PCI goals. That means that the company has taken actions that support and cooperate with the Strategy.

- **What the Supporters and Leaders can say:** ‘We support the PCI strategy technically and/or financially and believe that working in partnership with

the Institute, strengthens our actions even more and mobilises other stakeholders to become part of the initiative.'

- **What the Multipliers can say:** 'We support the PCI Strategy and believe that working in partnership with different stakeholders strengthens actions by the initiative in the State of Mato Grosso.'

Precise, clear and transparent

Summary: We have advanced in implementing the goals of the PCI Strategy with more effective actions, communicating clearly and transparently to our investors, government agencies and civil society. That means that the company will be able to measure the impact of its activities through the Strategy.

- **What the Supporters and Leaders can say:** 'We have achieved results from years of efforts and joint investments with other actors in the sector and the PCI Institute, and today we can share the goals achieved'.
-
- **What the Multipliers can say:** "We aim to help disseminate the PCI Strategy together with our partners."

Optimistic and inspirational

Summary: We leverage a common vision for the future through sharing experiences. We encourage listening between stakeholders and exchanges to better understand common problems and possible solutions. We highlight the importance of strengthening commitments through a productive sector engaged with sustainable development.

- **What the Supporters and Leaders can say:** 'The PCI Strategy represents a great opportunity for improving business for our company, through promoting forest conservation and inclusion in the State of Mato Grosso.'
-
- **What the Multipliers can say:** 'The PCI Strategy represents an opportunity for business, for forest conservation and for inclusion in the State of Mato Grosso.'

Use of the visual identity of the Strategy and PCI Institute

The PCI Institute will make its visual identity manual available for those interested in using the PCI name and logo. However, it is important to note that according to Chapter II, Sole paragraph of the PCI Institute Bylaws: *'To meet its purposes, the PCI may license and sell products with its trademark, publish and sell technical-scientific material under its name, provide remunerated services in capacity-building, training consulting to public and private legal entities, for the purpose of raising funds, which*

shall be solely and exclusively directed towards the sustainability of the PCI Strategy and to the development and performance of its designated activities.'

To consult the complete material, access the site or contact us through the available communication channels.



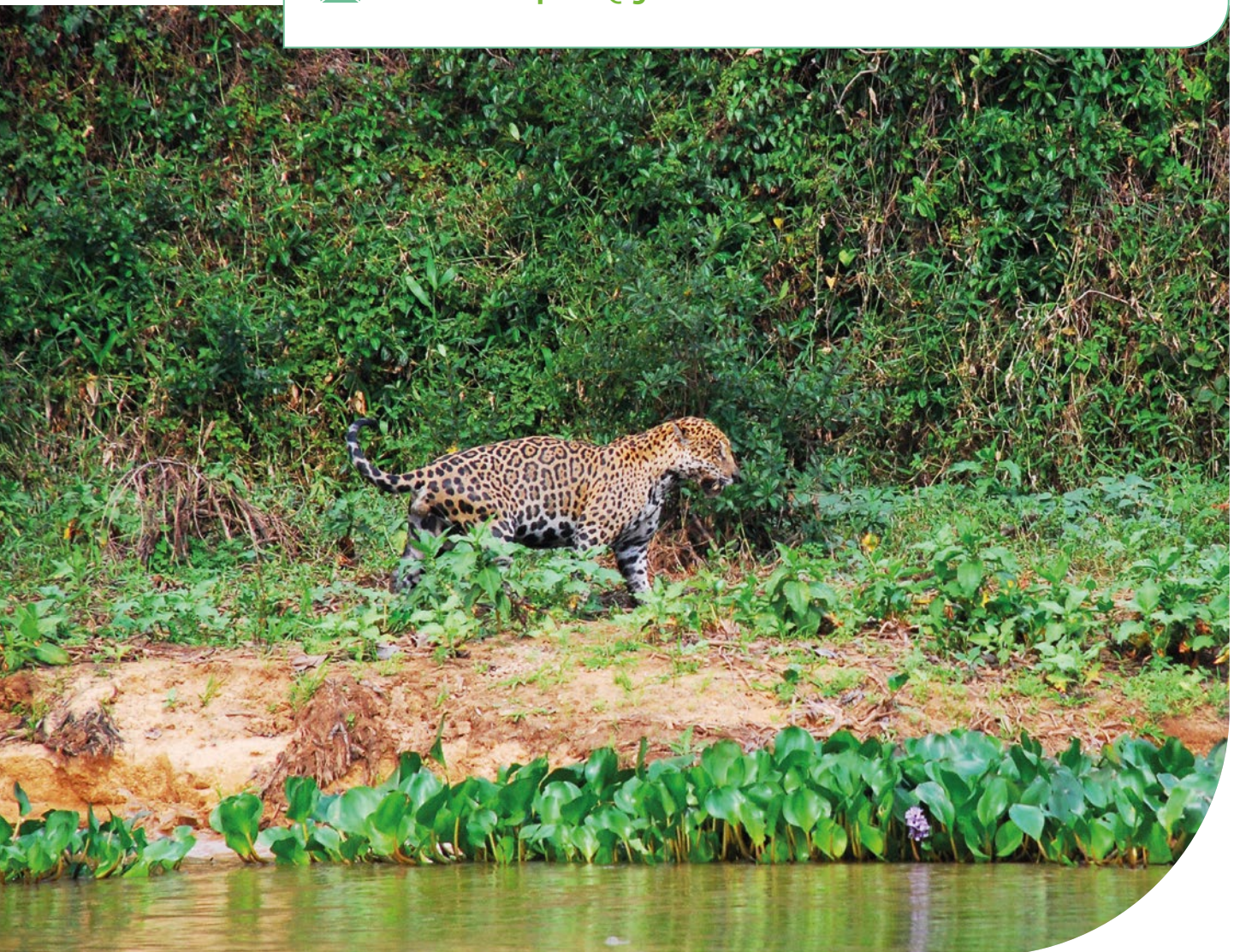
COMMUNICATION CHANNEL WITH THE PCI INSTITUTE

Proactive communication regarding the PCI Strategy is encouraged and welcomed. Partners and collaborators are also requested to share communications releases and messages for fine-tuning alignment issues and approval of for use of the logo, as may be the case.

For those purposes our channels are:



E-mail: adm.pcimt@gmail.com





ANNEX



APPENDIX 1

SUMMARY COMPARATIVE TABLE OF THE CATEGORIES OF ENGAGEMENT BETWEEN TRANSPARENCY PLATFORMS ON JURISDICTIONAL INITIATIVES

Several institutions are making efforts to increase the management and effectiveness of jurisdictional initiatives and communication regarding engagement by companies and their contributions. The PCI Strategy and ICV have worked in partnership with ISEAL and CDP in projects to increase measurement, verification and reporting on the progress of sustainability on a jurisdictional scale and in collecting and analysing data from Jurisdictional Approaches.

As for SourceUp, it is an online platform that connects agricultural commodity companies with initiatives from multiple stakeholders in producing regions (Regional Pacts). It is a platform for companies and coalitions in producing regions to work together to sustainably provide agricultural commodities, aligning local priorities with global commitments – a driver of sustainability in the supply chain.

Therefore, to ensure alignment with those initiatives, the table below presents how each one of them categorises corporate engagement and how they all relate to the PCI proposal.

PCI		SourceUp		CDP	
Model for engagement	Requirements	Model for engagement	Requirements	Model for engagement	Requirements
Multiplier	Letter of commitment	-	-	-	-
Supporter	Letter of commitment Be a funder for a period of at least one year in projects and actions in at least one PCI axis	Supporter	Project support	Supporter	Implement activities to support at least one goal
		Sourcing Partner	Minimum: preferential sourcing Optional: project support*	-	-
Leader	Letter of commitment Be a funder for a period of at least one year in projects and actions in the three axes of the PCI Be an associate member of the PCI Institute	Anchor Partner	Minimum: compact support (financial or in-kind) Plus at least one of the 2 following types of support: preferential sourcing; project support*	Partner	Shared responsibility in the implementation of multiple goals
				Funder	Provides full or partial financial support
				Convener	High level of engagement in set-up, design, management and implementation

* Partners supporting the PCI Strategy, are required to have projects.

APPENDIX 2

SUGGESTED SUMMARY TABLE FOR DECLARATIONS BY COMPANIES TO PCI

The companies may initially demonstrate their intention or state how they are already engaged in the PCI Strategy and provide a list of actions and projects that contribute to PCI goals, filling out the summary table model in appendix 2.

ENGAGEMENT				
Motivation map	Motivations	Describe the main motivations for engaging in the in the PCI Strategy	Ex.: internal priority; greater capacity for influence; alignment of PCI actions with the company, etc.	
	Zone of Influence	Describe the influence factor for the decision to engage with PCI	Ex.: % of supply chains in MT, opportunity for investment; importance of MT for production of the designated commodity	
How to engage?	Institutional support for PCI:	Describe the actions	Ex.: participates in CoAG; in committees (for investment; for monitoring); financially supports PCI Strategy, etc.	
	Performance of local actions and projects aligned with the PCI Strategy:	Describe the actions and projects for which it is directly responsible in region	Project that it coordinates/leads, can count on support from partners for	
	Support for actions and projects for incentives in the value chain:	Describe the actions and projects supported in region, but not responsible for	Project it participates in, but another institution coordinates/leads	
	Category:	Indicate category of engagement	<ul style="list-style-type: none">• Multiplier• Supporter• Leader	
CONTRIBUTION				
Company goal	PCI goals contributed to	Contribution to PCI goal	Actions and projects by the company	Results / Period
State goal of company and deadline for achieving	State goals of the PCI Strategy and deadline for achieving	Quantify impact vis-à-vis metrics and deadline for goal of the PCI Strategy	Describe scope, deadline for action and investment by company.	Describe reporting period and if in progress, describe current status. Assess impact of action on the company's scope of activities. Define period for action.
Ex.: 100% of direct suppliers registered in CAR	Ex.: register 90% of rural properties (CAR) by 2024	Ex.: we contribute 100% of the goal for registering rural properties by registering 2024	Ex.: support for environmental regularizing our suppliers' properties in 'Mato Grosso + CAR project'	Ex.: xx suppliers from MT participating in our project in year XX.

Information sent to the PCI must be based on data that can be verified by a second or third party¹, when necessary. For example, SourceUp defines that information from jurisdictional initiatives may be revised, verified or validated locally, regionally or globally, according to the jurisdictional initiative.

In the PCI-MT, it is expected that companies will be able to demonstrate, if requested, that the actions have occurred or are planned through documents, such as the following examples:

- Partnership contracts or memoranda of understanding with institutions that support implantation of the actions and projects.

- Funding contracts or internal reports from companies that demonstrate the existence of funds for enabling implantation of the actions and projects.

- Reports on socioenvironmental certifications, with the volumes of production sales certified.

- Third-party verification reports of non-deforestation mechanisms, such as the Soy Moratorium.

- Third-party verification reports on the Voluntary Commitment to non-deforestation.

- Reports on Inventories of greenhouse gases or carbon footprint for projects, demonstrating avoided emissions.

- Letter of Assurance of verification of Sustainability Reports, which detail the topics that were verified in the year reported.

- Progress Reports on the actions and projects carried out with other partner institutions, with KPIs being monitored, e.g.:
 - Number of beneficiaries (families, producers, etc.)
 - Area of impact (hectares preserved, recuperated, etc.)
 - Volume of commodity, when applicable (head of cattle, m³ of timber, tonnes of grains, etc.)
 - % Of origin of the commodity in Mato Grosso with geomonitoring and traceability

- Work Plan to enable actions and projects with:
 - Milestones and main activities.
 - Responsible parties.
 - Fundings.

¹ Second-party verification is conducted by a related entity with an interest in the company or operation being evaluated, such as the commercial client of a production/processing operation or a contractor who also provides verification. Third-party verification is conducted by an independent entity that does not provide other services to the company. Third-party verification may be performed by a certification programme.

APPENDIX 3

CONTRIBUTION TO PCI GOALS AND ATTRIBUTION OF RESULTS

Companies engaged with the PCI Strategy must seek to be clear regarding their commitments and results. Only actions that contribute to the objectives and results of the PCI Strategy should be considered as projects and support actions.

It is intrinsically complicated at a jurisdictional level, where many actions are being taken by many different stakeholders, to measure the contribution to the goals and results of the PCI Strategy. But regardless of the challenges, whenever possible the company may declare with regard to results of the PCI, what its participation was in those results, in other word, how much of the PCI results PCI may be attributed to the company.

In these cases, the companies will need to have sufficiently robust traceability, mapping of their supply chain and/or effective control mechanisms to demonstrate that its purchases were in fact sourced inside the jurisdiction.

Example of a contribution towards the PCI goals and attribution or results that private companies can communicate regarding the PCI Strategy

In the example in the Figure below, we shall say that the little blue balls represent a group of 10 producers from whom the company purchases the commodity (cattle, soy), with dark blue being the groups of suppliers who have a development project and light blue the suppliers who are not benefitted by the company's project.

What is the contribution to the PCI goal?

The company must clearly state that its contribution to the project involves 30 producers, of a total of 50 the company buys from, and thus represents 60% of its supply chain considered by the project. However, **in the PCI-MT jurisdiction, the company's contribution refers to 50% of its chain in MT territory.**

Let us say that PCI has the goal of developing 100 producers of that commodity by 2030, and so the company contributes **10% of the overall PCI goal.**

FIGURE 6

Example of contribution towards the PCI goals



What is the attribution of results from the company to performance by the PCI?

Using the same example, should the PCI result up to 2021 have been to develop 40 of the 100 producers of the commodity that operate in the state, this company may state that it was involved with 10 of the 40 producers developed, and so the **company can claim a 25% share in the results of the PCI-MT goal.**



PUBLIC LETTER OF COMMITMENT TO THE PCI STRATEGY-MT

Through this public letter of commitment, as the representative of **(name of organisation)**, registered in CNPJ under no. **(organisation's CNPJ number)**, headquartered at (address of organisation), **I declare the intent to assume a commitment to the Produce, Conserve and Include Strategy** as a:

- () MULTIPLIER, **disseminating** the PCI Strategy;
- () SUPPORTER, **disseminating** and **contributing towards implementation of the goals** of the PCI Strategy;
- () LEADER, **disseminating, contributing towards implementation of the goals** of the PCI Strategy **in all three thematic axis and as an associate member** of the PCI Institute.

As a SUPPORTER or LEADER, **I assume the commitment of contributing to the PCI Strategy, by supporting the goals: (list the goals the organisation intends to support), and avoiding a negative impact on the other goals**, related to our productive chain activities. And to that end, I commit to sending the PCI Institute, a document describing the actions and/or projects supported, and the measures taken to avoid impacting the other goals.

As LEADER, and with the **intention of affiliating with the PCI Institute-MT** (a Private non-commercial and not-for-profit Association in the process of being established, headquartered at Av. São Sebastião, no 3285 – Quilombo, CEP 78.045-000, Cuiabá, State of Mato Grosso), I declare that I am not impeded from administering the **(name of organisation)**, by special law or by virtue of criminal conviction, or being under its effects, that might hinder, even temporarily, my access to public positions, or due to a bankruptcy offence, malfeasance, soliciting or accepting bribes, influence peddling, embezzlement, or against the public economy, against the national financial system, against norms for defence of competition, against consumer relations, public faith or property.



Company name (...)	Name of company representative (...)
CNPJ (...)	CPF (...)
Address (...)	Address (...)
Municipal / State registration number (...)	Telephone (...)

Cuiabá, date month 2022.

(....)



**ENGAGEMENT AND
COMMUNICATIONS
GUIDE FOR THE PCI
STRATEGY AND THE
PCI INSTITUTE**

PRIVATE COMPANIES

