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At The Nature Conservancy (TNC), we know that facing the climate challenge and bringing about significant changes for the planet and all of us demands collective efforts.



All those significant achievements for climate change adaptation and resilience were only possible because of our network of partners and supporters.

## INTRODUCTION

We are close to reaching half of a decisive decade for the planet. strategies. One was the Pará Government's State Program for Record temperatures and changes in rain patterns defined Livestock Chain Integrity and Development, the first required 2023 and made the negative impacts of climate change on our cattle traceability policy based on environmental requirements. lives even more evident. Climate change affects the ecological That was an essential step in curbing deforestation and balance, the day-to-day, the population's health, production promoting the resilience of ecosystem and production areas, activities in the fields, and the country's economy. water security, and people's well-being.

At The Nature Conservancy (TNC), we know that facing the climate challenge and bringing about significant changes for the planet and all of us demands collective efforts. Through innovative, scalable collaboration, we achieved significant results in 2023. They pave the way for nature and people to thrive together because we have only one planet and one possible future.

Last year, TNC Brazil turned 35, and during that time, we found our way. We are a bridge between governments, businesses, and society, all of whom understand the urgency of working together to tackle the climate and biodiversity crises.

We must act now to find and promote solutions that make transforming the production chains possible, fomenting public policies, and developing innovative financial mechanisms for nature conservation and restoration of degraded areas. And doing so based on science that is aligned with the traditional knowledge of Indigenous Peoples, Quilombolas<sup>1</sup>, and traditional communities.

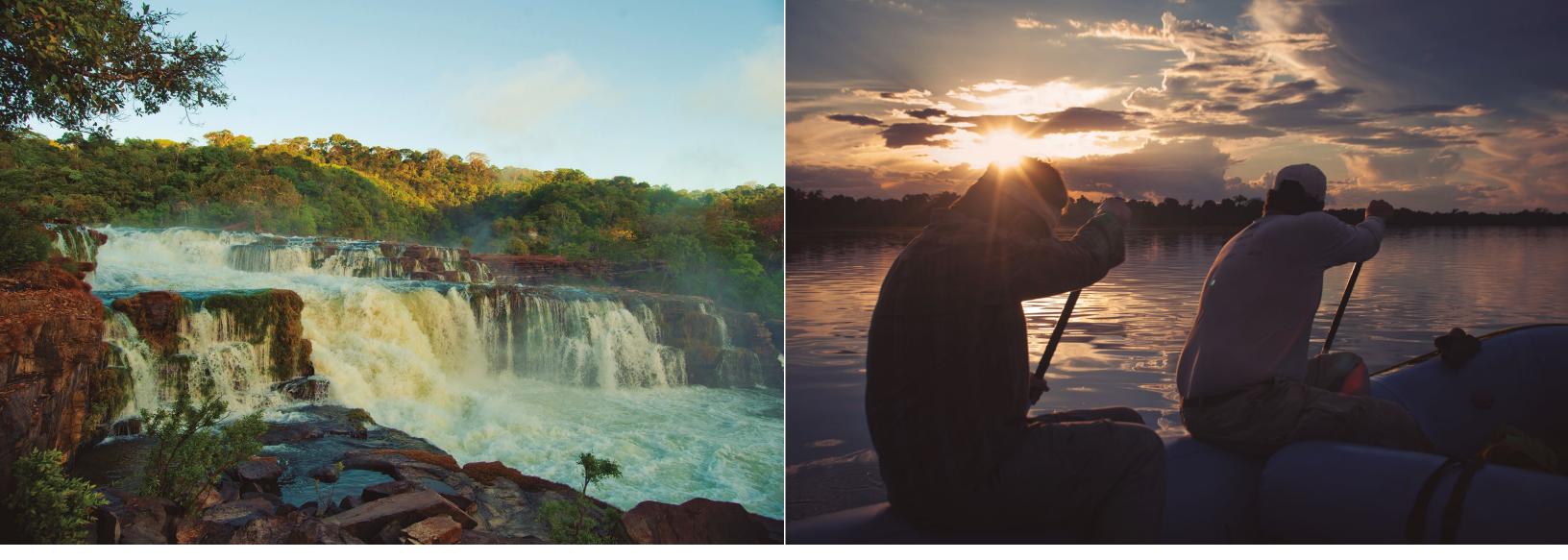
Last year, we also celebrated the advancement of important Amazon conservation public policies aligned with TNC's

In the Cerrado, we developed a comprehensive study of the Araguaia River basin, a tributary of the Amazon River basin and one of the last free-flowing rivers in the country. The study helped us understand the region's situation more broadly so we can support decision-making in building a future that all can share.

We also worked on a scientific study that mapped the carbon stock potential in the Cerrado, reinforcing the importance of restoring degraded areas and conserving native vegetation.

That also applies to the Atlantic Forest, a biome where we work with various sectors to increase forest restoration. We do that by promoting the establishment of Payment for Environmental Services (PES) public policies or consolidating a high-quality carbon market with incentives and appreciation for rural landowners who conserve and restore the forest.

All those significant achievements for climate change adaptation and resilience were only possible because of our network of partners and supporters. Thank you for being part of that community. Your support is and will continue to be vital to building today the future we want tomorrow.



## **INTRODUCTION**

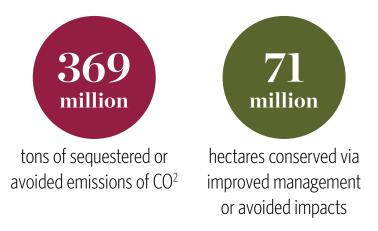
We already feel the effects of climate change and biodiversity loss, which affect people's health and day-to-day activities, natural ecosystems, and the economy. Discussions on nature conservation have been especially spotlighted in a year marked by record temperatures and an increase in the frequency of extreme weather events, such as flooding. Nature is our ally in tackling the crises of climate change and biodiversity loss; transforming the relationship of people, markets, and governments with nature is a collective responsibility that needs to be a priority for all sectors of society.

The year 2023 marked the 35<sup>th</sup> anniversary of TNC in Brazil. Over that period, we have built a solid network of local partners by collaborating with governments, businesses, and communities to achieve important advances for nature conservation in the biomes where we work. We have well-defined goals to achieve a future where nature and people can thrive together.

Our conservation results are focused on the Amazon, Cerrado, and the Atlantic Forest. Still, since we know that nature is not contained within the limits of a border, our work seeks to influence the conservation agenda for all of Brazil.

## **2030 Goals of TNC Brazil**

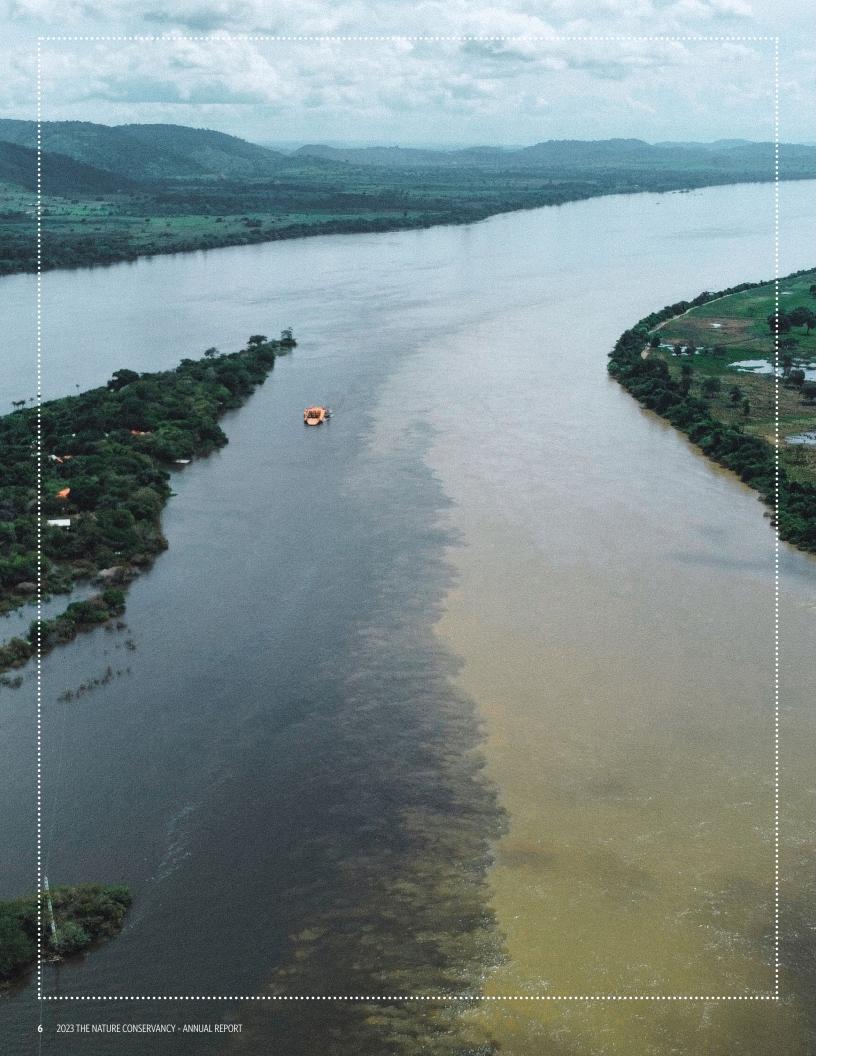
In 2021, TNC's network set bold goals for 2030 to tackle the climate and biodiversity challenges we face. Those goals help us prioritize our activities and gauge how we are doing in achieving our mission because it has clear metrics to measure our progress. TNC Brazil contributes to those global goals with:







people with improved and effective access to decision-making spaces regarding land, water, and natural resource conservation



## **AMAZON**

What happens in the <u>Amazon</u> affects the entire world. The carbon sequestered in the planet's largest tropical forest helps ensure climate stability throughout the Earth; its rivers hold one-fifth of the planet's water, and its rich biodiversity is unique, housing one in every ten species. The region is also home to millions of people, including 350 Indigenous Peoples who have protected their territories for centuries. Despite decreasing deforestation rates in the biome, tropical forests and other ecosystems are at increased risk of collapse due to the surge in global temperatures. That would contribute to global warming, feeding the tipping points yet again. To tackle those threats



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and protect biodiversity, TNC's work in the region is focused on Pará state, which has 95 million hectares of forest cover but also conservation challenges mainly related to low-yield agriculture and livestock farming and the illegal seizure of public land. That is why we work with governments, businesses, Indigenous Peoples, rural producers, and many other partners to strengthen more sustainable production models, promote restoring degraded areas, protect conservation units, and encourage innovation of sustainable financing, governance, and public policies for conservation.

# Highlights of TNC's work in Amazonia in 2023

#### **Community-based Conservation**

The Águas dos Tapajós or Tapajós Waters Project expanded its area of activity from ten to more than 200 communities in the Lower and Medium Tapajós and Lower Amazon regions. Combining traditional riverine knowledge and scientific knowledge can conserve more than 621 miles of rivers and over 2,485 miles of streams, positively impacting fishing resources and quality of life. TNC also supported riverine communities in the Lago Grande region between the Santarém, Óbidos, and Juruti municipalities in Pará in developing a new fishing agreement thanks to the involvement of different stakeholders.

#### **Other Effective Conservation Mechanisms**

The challenge of executing the new Kunming-Montreal Global Biodiversity Framework, adopted at COP15 in 2022, has mobilized countries to debate innovative ways to conserve nature. Other Effective Area-based Conservation Measures (OECMs) can be great allies in that context. That was the theme of a new study led by TNC, demonstrating a current view of those mechanisms and the possibilities for their implementation in Brazil, especially in the states of Pará and Amazonas.

#### **Technological Innovation to End Deforestation**

TNC joined Google and other partners in the Digitais da <u>Floresta</u> Project to seek innovative tools to fight illegal timber exploration in the Amazon, such as stable isotopes, a type of tree "fingerprinting" that allows verifying their origins. Conversely, the Módulo de Inteligência Territorial (MIT) is a digital platform developed by the Pará Environmental Agency (SEMAS-PA) with technical support from TNC. It integrates environmental, land, and production data to improve territorial management and value chain processes important to Pará's economy. Its initial focus will be on livestock farming.





#### **Conservation Public Policies in Pará**

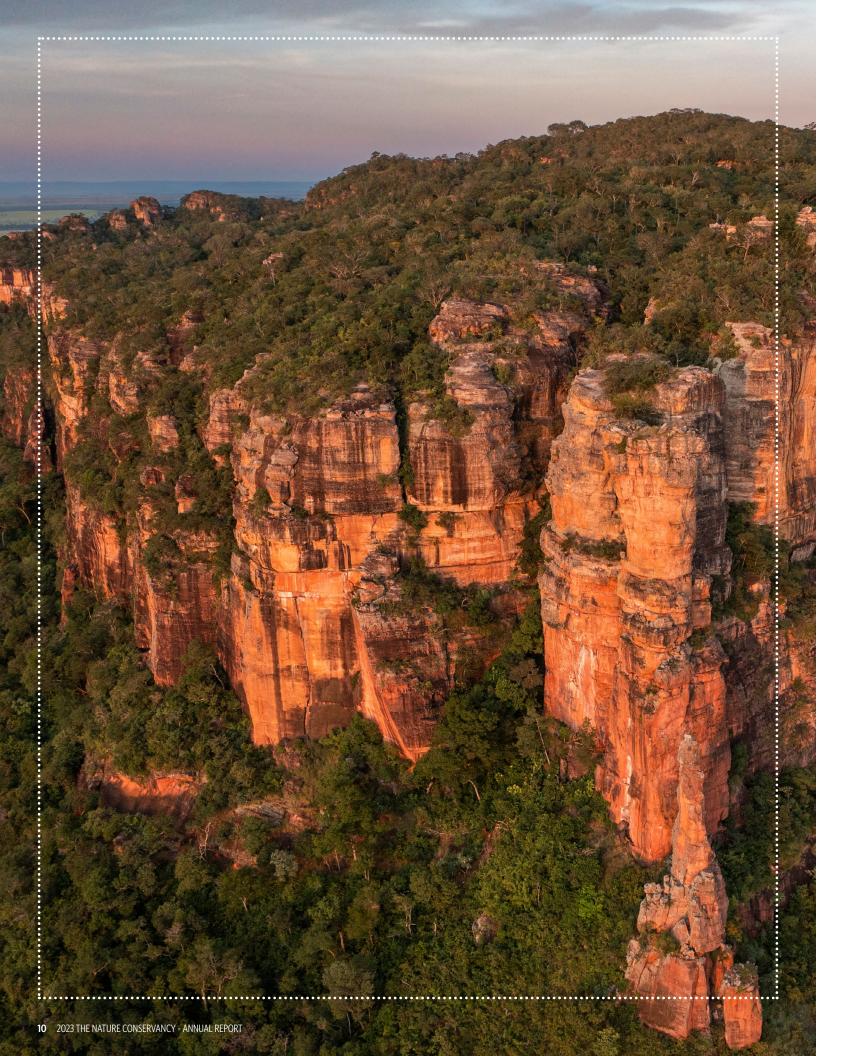
The Pará Livestock Integrity and Development Program was launched at COP28. TNC was one of the organizations that supported the state government in developing Brazil's first mandatory cattle traceability policy focused on environmental requirements. Complementing the traceability program, TNC has supported Pará state in developing its Payment for Environmental Services Program (PES), which will compensate family farmers and local communities for regeneration, recovery, maintenance, and environmental conservation efforts.





## Strengthening Socio-bioeconomy

The Projeto Inovatec Sociobiodiversidade supported six projects that advance standing forest economic development ventures and offered scholarships to 30 youth from Indigenous, Quilombola, and riverine communities to participate in research and development projects. The goal is to add value to traditional products and contribute to implementing new technologies in Tapajós basin communities. Conversely, the Inova Sociobio project contemplated 30 communities by implementing six Pará bio-economy innovation points.



## ...It covers one-fourth of the country's territory and houses the world's most biodiverse savanna, along with soil-use practices that threaten biodiversity...

## **CERRADO**

The Cerrado is a unique biome for Brazil's ecological balance and one of the most vital areas for agriculture and water production. It covers one-fourth of the country's territory and houses the world's most biodiverse savanna, along with soil-use practices that threaten biodiversity. Nearly half of the Cerrado (84 million hectares) has been converted for agricultural and livestock use, and some of its rivers have had their courses altered by dams, affecting the routine of traditional communities, interrupting the migration of aquatic fauna, and various other ecological processes.



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TNC has worked in the region for over 30 years and has developed specific actions for the Araguaia Basin since 2016. Eighty percent of the area has been altered. Our focus has been on restoration efforts in degraded areas and implementing regenerative agricultural and livestock farming practices, including redirecting their expansion to already-cleared areas, which increases productivity. We also support the leadership and economic activities of the region's Indigenous Peoples, connecting local efforts with state, federal, and global initiatives to reduce deforestation and promote nature conservation.



# **Highlights from TNC's** work in the Cerrado in 2023



### **Support for the Xavante Indigenous Peoples**

TNC, in partnership with Fundo Podáali and the Mato Grosso REDD Early Movers (REM-MT) launched a pioneering award initiative among the Xavante Indigenous People, managed by Indigenous representatives appointed by the Xavante themselves. Sixteen initiatives in territorial management, sustainable economy, and food sovereignty will be awarded. TNC also supported the A'Uwe Uptabi Environmental Agents Training cycle, which trained 26 environmental agents focusing on agrobiodiversity to enable participatory monitoring of REM Program activities in the region.

#### Water-Management Resources

We conducted a complete study of the Araguaia River basin, including various environmental, ecological, economic, social, and soil use indicators, among others. This resulted in an Atlas of the basin. The Araguaia Blueprint integrates geographical and socio-economic data about the basin to help create a shared understanding of possible regional development scenarios. It will also create opportunities for evaluating indirect, cumulative, and synergistic impacts from large-scale infrastructure projects that are being established and assessing the use of the region's natural resources.



#### **Environmental Compliance in Rural Properties and** Study on Carbon Removal and Restoration in Mato **Curbing Deforestation Grosso State**

TNC supported developing and implementing the Legal Commercialization Reinstatement and Environmental Compliance State Plan for embargoed Mato Grosso rural properties. The partnership strengthens the Reinstatement and Monitoring Program (PREM), which includes a virtual geo-monitoring platform to track the regeneration of illegally deforested areas blocked from commercial activities for not following the current market protocols. It also includes activities to reinstate rural producers into the legal beef market.

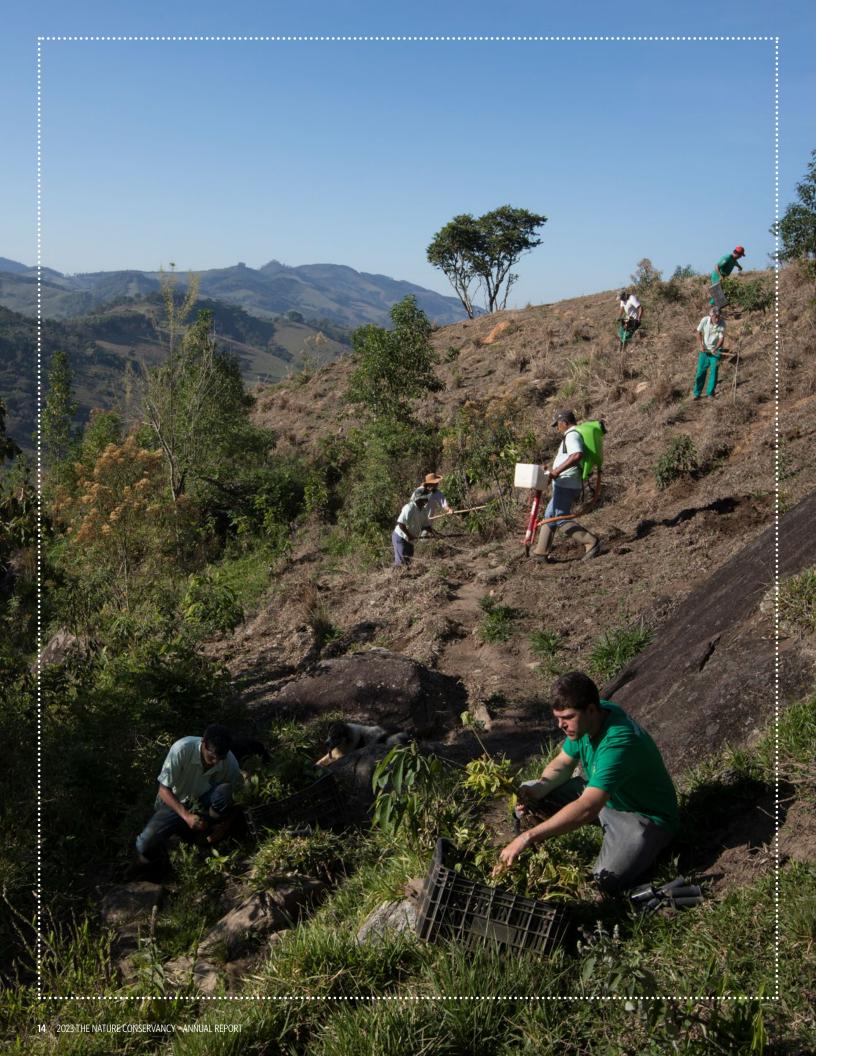


## Strengthening Barra do Garcas' PCI Program

TNC has cooperation agreements with the Mato Grosso state via the Produce, Conserve, Include (PCI) Program in Barra do Garças, part of the state's PCI. The goal is to conserve and restore forests and curb deforestation to promote a low-carbon economy. Recently, we have supported the establishment of the framework for a Barra do Garças PCI executive committee, which has worked to integrate the various sectors of society to promote inclusive activities that conciliate production and conservation in the region.



TNC led a study to evaluate estimated carbon removal in the secondary forests of Mato Grosso. The analysis, conducted based on the REDD+ART/TREES requirements, helps understand the potential to generate credits for carbon removal in state forests, considering the age of the vegetation. The study generated detailed data that can help consolidate carbon and forest restoration projects in the region and systematize important information for decision-making and public policies geared to natural climate solutions.



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## **ATLANTIC FOREST**

The Atlantic Forest has already lost more than 90 percent of its native vegetation due to a history of degradation caused by human activity. The region, extending over 17 Brazilian states, also concentrates most of the Brazilian population and around 70 percent of the country's GDP. Considering the biome's hydrological importance, TNC concentrates its work on the Mantiqueira Mountain Range, conducting activities that seek to maintain or recover streams via forest restoration. Those bodies of water contribute to



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water supply and other environmental services essential to the population and the economy. In the Mantiqueira Range alone, the potential exists for restoring 1.5 million hectares of forests divided between the states of São Paulo, Minas Gerais, and Rio de Janeiro. The initiative aims to strengthen municipalities' public environmental policies, ensure technical capacity for restoration, and support local governance partnerships. Efforts also seek to find new financial mechanisms that can help make possible forest restoration and conservation of streams at scale.

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# **Highlights from TNC's** work in the Atlantic Forest in 2023

#### **Invisible Reservoir**

TNC conducted the study Invisible Reservoir, launched on World Water Day 2023 during the United Nations conference on water. Invisible Reservoir analyzed the economic and biological impacts of Nature-based Solutions (NbS), such as restoration, on water availability and climate adaptation. The study analyzed the last 30 years of the Cantareira System and concluded that the System would have more water available if the necessary green infrastructure interventions had been implemented.

#### **Mechanisms to Finance Restoration**

The carbon market is another option to promote restoration via natural regeneration and conservation in the region. It is also vital to help mitigate the effects of climate change. In 2023, as we continued the project in partnership with Mercado Livre, we initiated the third PES cycle for rural property owners who joined the project. Additionally, the project finished the fencing restoration areas in all 160 properties, aiming at isolating areas in 2,717 hectares destined for natural regeneration.



#### **Promoting Forest Restoration**

By the end of 2023, six Mantiqueira Range municipalities had created PES programs, and ten other towns had begun drafting restoration programs legislation, which will mean more hectares protected in the future. Six municipalities in the Terras Altas region in Minas Gerais state also signed a protocol to formalize an environmental consortium with support from the Plano <u>Conservador da Mantiqueira</u> group. The goal is to stimulate working collaboratively and strengthen public environmental policies to protect natural resources.



### **Technology, Monitoring, and Capacity Development**

Throughout 2023, more than 450 people, including technicians, government and academia representatives, and rural owners, participated in 14 training sessions to promote forest restoration. These sessions included field day visits and online and in-person training. Territorial management via the Mantiqueira Portal has already mapped 100,000 hectares in a restoration databank that supports forest restoration monitoring and decision-making activities in the region.



#### **Expanding Scale and Generating Income**

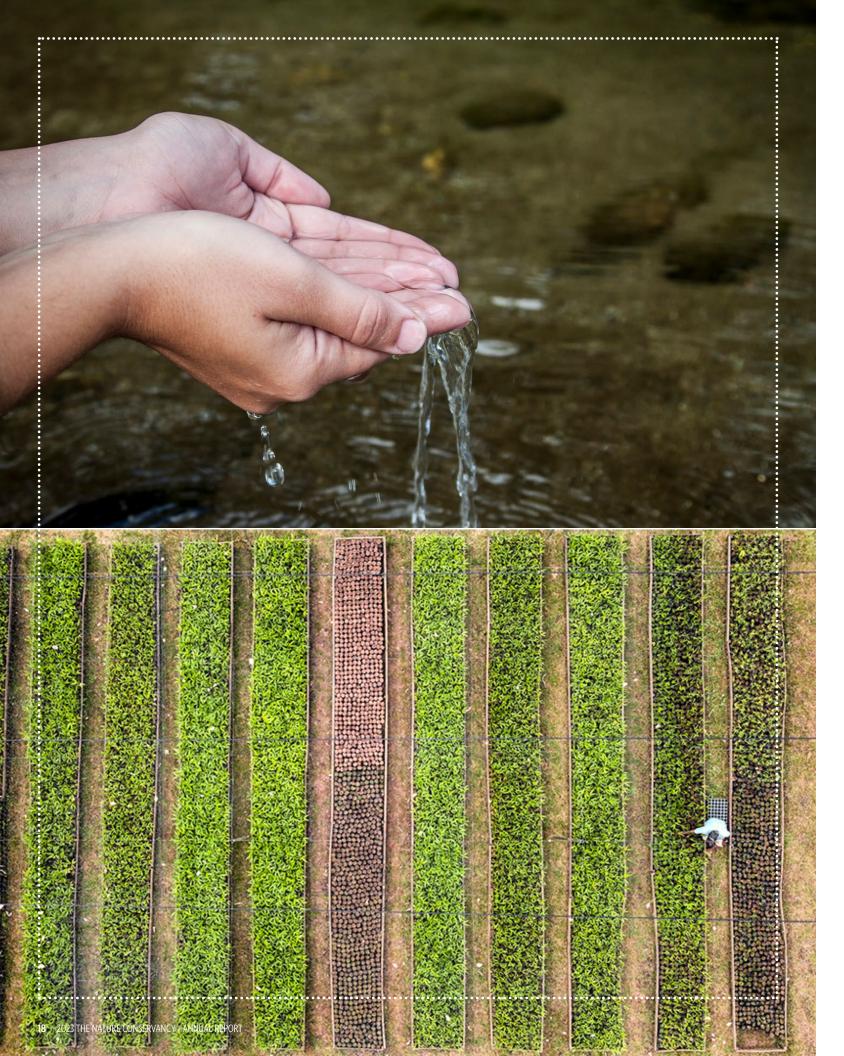
We partner with the Caminhos da Semente initiative, which promotes seed collection for direct seeding restoration in the Zona da Mata in Minas Gerais state. It also supports the acquisition of five tons of seeds from Vale do Paraíba and Ribeira in São Paulo state. The benefits go beyond the conservation agenda and generate income diversification for those who make their living from rural production, positively impacting the families and technicians in the region.



#### Strengthening Ecological Corridors

TNC partners with the Rio de Janeiro State Waters and Sewers Company (CEDAE), and together, they have launched an ambitious reforestation and conservation program for the ecological corridor between the Tinguá Range and the Bocaina Range on the border between Rio de Janeiro and São Paulo states. The project contributes to maintaining biodiversity and water resources and promoting sustainable development. In addition to recovering 30,000 hectares and promoting water security, the program will make possible the conservation of more than 20,000 native species.





## TNC's role as a science-based organization is to help develop, implement, and disseminate the necessary actions to ensure the balance between

## **HOW WE WORK**

The impacts of the climate and biodiversity crises demand conservation actions at an unprecedented pace and scale. To achieve results with the urgency needed, we must create and promote solutions that encourage and accelerate systems change, transforming the way societies produce, consume, estimate, invest, and manage natural resources.

### Water

One of the most significant environmental challenges we face is ensuring the availability of quality water in the needed quantity for human supply. Whether because of droughts or flooding, climate change is usually more visibly expressed via water, and if we do nothing, those impacts should increase even more in the coming years.

#### Protecting and Restoring Basins

TNC and various partners have worked on conserving and restoring forests in priority areas to maintain basins and contribute to the balance between water supply and demand. To that end, we conduct restoration, local development, and community-based conservation activities, promote local and regional governance to strengthen water management, and engage the public sector and companies to expand the scale and impact of basin restoration.

## ...to reach those goals,

conserving nature and economic and social prosperity....

To reach those goals, TNC's role as a science-based organization is to help develop, implement, and disseminate the necessary actions to ensure the balance between conserving nature and economic and social prosperity. That is why we work with representatives from various sectors, helping them meet the goals of the International Paris (climate) and Kunning-Montreal (biodiversity) Acords, which are also aligned with the United Nations SDGs.

#### **Science**

As a science-based organization, TNC's initiatives are guided by an innovative conservation approach to defining priorities, developing strategies, and implementing effective activities in the field. They also include monitoring results to increase our knowledge. Our methodology identifies the necessary adjustments and generates knowledge about experiences that may be replicated in other areas.

#### A Multidisciplinary Team

In Brazil, we have a science team composed of about 20 ecologists, biologists, data analysts, economists, social scientists, anthropologists, and representatives of other fields of knowledge. These professionals practice science daily and have the essential role of monitoring and helping guide our work so TNC can achieve its goals by 2030. That is done via continuous analyses of our projects and initiatives, in addition to detailed studies on themes related to conservation.



#### **Public Policies**

TNC seeks to guide various levels of government to promote changes on the necessary scale, offering our solid scientific expertise and promoting public policies aligned with international nature conservation agreements.

Our team of specialists in Brazil is part of 75 essential collectives on themes related to nature and natural resources conservation, forest restoration, agriculture, and financing. We also actively participate in national and international events and meetings to define bolder environmental agreements and policies, focusing on Conferences on Climate and Biodiversity, New York's Climate Week, and the Amazon Summit.

In 2023, TNC Brazil's team organized multisensory panels at the Amazon Dialogues event, part of the Amazon Summit in Belém, Pará, at New York's Climate Week, and COP28 in Dubai. The goal was to promote integrity and transparency in livestock farming, regenerative agriculture, innovative



#### **Financial Mechanisms**

Ensuring the financial resources needed to support the transition to an economy that protects and restores nature must be one of the institutions' main focuses worldwide. According to a TNC study, the current gap is \$700 billion annually. The good news is that resources already exist, but they must be directed to innovative financial mechanisms capable of leveraging systemic changes in how we relate to nature.

One of our lines of work is promoting financial tools, such as lines of credit or agricultural investment funds, that support the transformation of production chains into activities that value nature while generating income and making ecosystem restoration possible. The initiative Innovative Finance for the

financial mechanisms, forest restoration, community-based conservation, and support for Indigenous Peoples' and traditional communities' participation in those important decision-making spaces.

Amazon, Cerrado, and Chaco (IFACC) is one of those actions, and its goal is to accelerate beef and soy sustainable production loans and investments in the Amazon, Cerrado, and Chaco.

Another initiative is the **<u>Reverte Program</u>**, which has financial solutions as one of its pillars to support expanding regenerative agriculture in the Cerrado. The program works in partnership with a financial institution to make long-term competitive credit available with terms more appropriate for producers' needs and advance activities that promote regenerative agriculture in rural properties in Mato Grosso state.



#### **Indigenous Peoples and Traditional Communities**

Traditional knowledge and the culture of Indigenous Peoples and communities, such as the riverine, Quilombolas, and extractive groups, are some of the allies keeping forests standing. Historically, the conservation of native vegetation in areas managed by those communities tends to be much superior to conservation in private areas of the same region.

The 1988 Brazilian Constitution provides for the original rights of Indigenous Peoples over the lands they have traditionally occupied and their demarcation. Ensuring Indigenous Peoples' rights to their lands contributes to maintaining tropical forests and other ecosystems and is essential to regulating the global climate.

TNC works with Indigenous Peoples and traditional

communities according to their needs, supporting their management of their territories and efforts to strengthen their institutions so they can actively participate and have representation in decision-making spaces and ensure respect for their fundamental rights. We support their efforts to develop management mechanisms for their territories, known as the Territorial Management and Environmental Plans (PGTAs), in addition to supporting sustainable development activities and territorial security.

TNC's work on that agenda also involves supporting the implementation of socio-bioeconomy community projects. Those efforts ensure increased income and a better quality of life for Indigenous Peoples, Quilombolas, and traditional communities.

#### **Transformation in Production Chains**

Without technology and knowledge, poor land use can generate degradation and compromise producers' productivity and income, bringing about a vicious cycle of deforestation in new areas. At TNC, we know that reconciling nature conservation and socio-economic development is possible– and fundamental.

TNC's strategy for livestock farming aims to improve and leverage existing initiatives and present new and innovative solutions. It is anchored in seven complementary and simultaneous pillars, among them transparency and traceability in the livestock chain, accelerating environmental compliance intensifying producers' access to credit, and supporting them Finally, respect for human rights and dialogue between Indigenous Peoples and traditional communities with the industry.

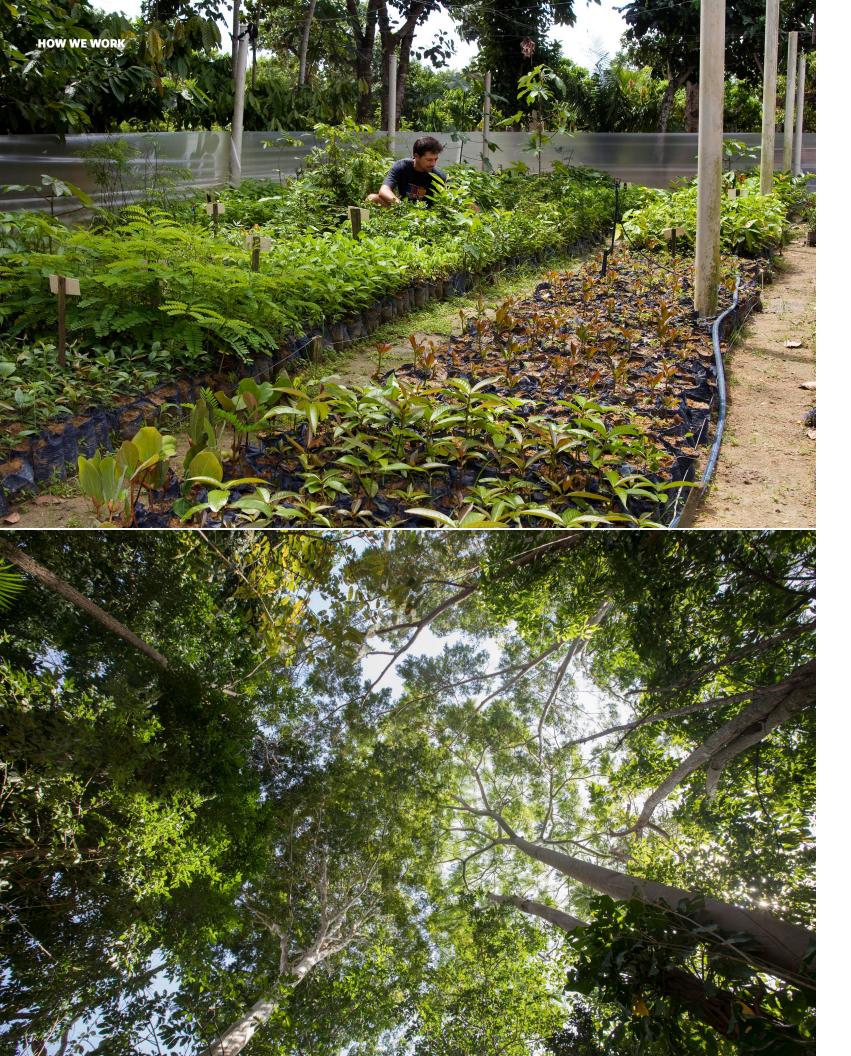
> Agroforestry systems are one more example of how agriculture production can work in tandem with ecosystem conservation and restoration. They support rural producers in diversifying their income by planting fruit trees with other native species.

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Agroforestry systems are one more example of how agriculture production can work in tandem with ecosystem conservation and restoration. They support rural producers in diversifying their income by planting fruit trees with other native species. Through the Forest Cocoa Project, TNC has promoted the adoption of the model that has brought benefits to family farmers in the Amazon in the last ten years. More recently, producers have also benefited in a partnership between TNC and World Agroforestry (ICRAF). It is based on the carbon market geared to family agriculture to promote agroforestry systems more equally in Pará.

Promoting integrated production systems is another pillar of TNC's work to disseminate regenerative agricultural practices in conjunction with ecosystem conservation and biodiversity protection.





#### **Forest Restoration**

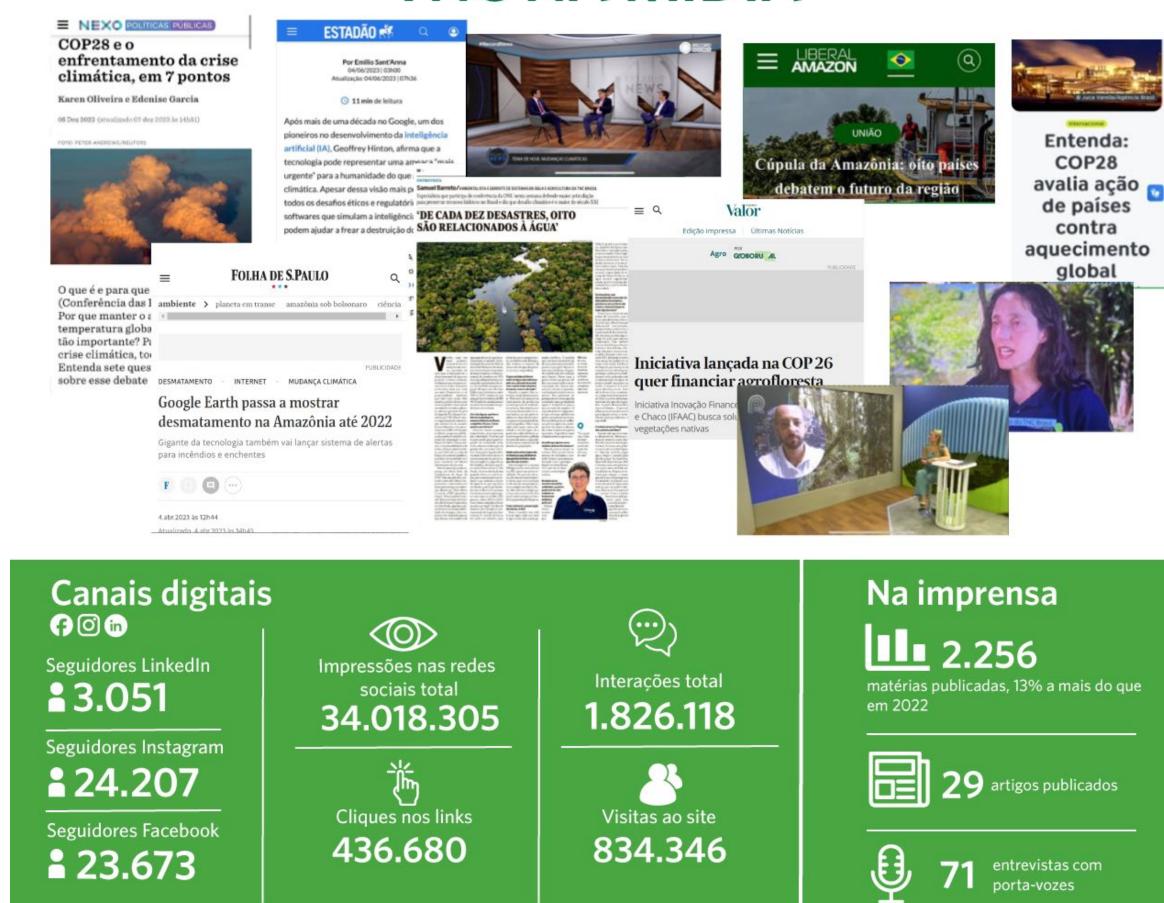
Large-scale forest restoration has the potential to significantly contribute to Brazil's fulfillment of its commitment to the Paris Accord of restoring 12 million hectares in the country. TNC Brazil supports the Brazilian government's efforts to achieve its climate goals, strengthening and providing capacity development to the restoration chain and monitoring native vegetation recovery in priority areas for conservation. In 2023, TNC was elected as one of civil society's representatives in the Ministry of the Environment's National Commission for Native Vegetation Recovery (CONAVEG). In

that role, TNC and others aid in implementing the National Plan to Restore Native Vegetation (PLANAVEG).

> TNC's Restaura Brasil campaign seeks to give visibility to restoration and engage companies and individuals in restoration.

TNC's **Restaura Brasil** campaign seeks to give visibility to restoration and engage companies and individuals in restoration. In 2023, TNC partnered with Hyundai, Eventim, CREA-Goiás, Poyry, Instituto OMP, and Tagme (Menu Virtual). We also have the support of hundreds of donors who are engaged in the campaign and partnerships with other organizations, rural landowners, and governments. Additionally, TNC strengthened various restoration collectives, including Pact for the Restoration of the Atlantic Forest, Restoration Observatory, Alliance for the Restoration of the Amazon, and the Brazilian Society for Ecological Restoration (SOBRE).

# **TNC NA MÍDIA**



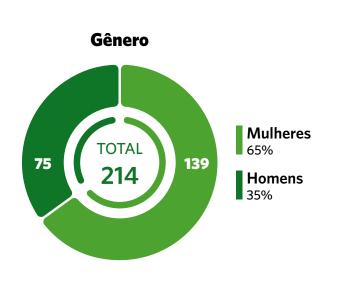
## TRANSPARENCY

TNC values define who we are as an organization and how we behave as individuals. They inspire us to do what is right, always guided by our <u>Code of Conduct</u>. We conduct our work with a deep commitment to responsibility, diversity, and respect for people and communities. We seek to use every single donation to TNC efficiently through a solid corporate governance framework.

## **Our Team**

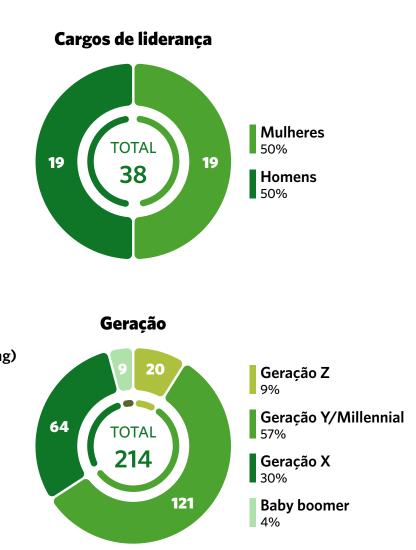
We have knowledge in Science, Administration, Communications, Environmental and Forestry Engineering, Biology, and Anthropology, among other fields. We are directors, specialists, assistants, and interns working in different locations, such as inland Pará's São Félix do Xingu, Barra do Garças, in Mato Grosso, the Mantiqueira Highlands, the Federal District, and São Paulo with conservation as our only mission.

# **NOSSA EQUIPE** Há 214 funcionários no Brasil



Anos de TNC 0 anos (Onboarding) 22% 46 1-2 anos 40% TOTAL 3-5 anos 214 8% 6-10 anos 11% 86 Acima de 10 anos 19%







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