

Cooperatives and the ESG Agenda

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Abstract:

The world is constantly changing, due to the demands of new generations, the scarcity of resources, many global issues that go beyond borders, such as the COVID-19 pandemic, climate change, global warming, and human rights violations. These issues directly impact the way business is done, bringing up the importance of creating a long-term value creation, and of promoting development through business - economic, social, and environmental - as a competitive advantage and risk mitigation. In this context, the ESG (Environmental, Social and Governance) concept was born in 2005, from an initiative led by the United Nations. Over the years, large companies have committed themselves, with clear and measurable goals, to prioritize sustainable development and corporate social responsibility (protecting natural resources, respecting human rights, and maintaining transparency and integrity), becoming protagonists in these matters and maximizing their profits. The positive results are growing, although there is not one singular certification that guarantees that the company is 100% adherent to ESG. On the other hand, there are many studies, sustainability report models, and best practices in business management that can and should be used in all branches of the cooperative movement. This process of adapting to ESG and the search for a more conscious and positive performance involves many challenges. The ESG culture must be intrinsic to the reason to be of the business, and governance must be genuinely engaged as a vector for integration. The cooperative model and principles, in turn, were born with this concern of building a better and sustainable world for all stakeholders through business. Therefore, with this article we intend to explore the opportunities and convergences between cooperativism and the ESG theme, to contribute to fostering agendas and new ESG cooperatives.

Keywords: ESG; Cooperatives.

Cooperatives and ESG

1. ESG Agenda Context

Economic and social ecosystems are fully connected, but increasingly out of balance. It is possible to observe a great concentration of income alongside extreme poverty. Among the 200 largest GDPs/revenues in the world, 157 belong to companies, and the revenue of ten of these companies corresponds to the 180 smallest GDPs. (PACTO GLOBAL, 2021)

There is no company that can sustain itself in the long term in a flawed society without natural resources. Organizations have been asked by their stakeholders to take a stand on current problems – social inequality, violence, corruption, hunger, climate change, structural racism, pandemic, pollution, etc. - and to present actions to mitigate them. In 2020, almost 120 million people in Brazil were in a food insecurity situation. And almost 20 million Brazilians are starving, according to Pacto Global (2021).

The new generations of consumers entering the job market, such as the millennials or Y generation, are increasingly concerned with the environmental and social impacts of their actions and define new consumption patterns. In addition, the spreading of social networks also puts pressure on companies, with viral topics, memes, boycotts and digital protests. (CRUZ, 2021)

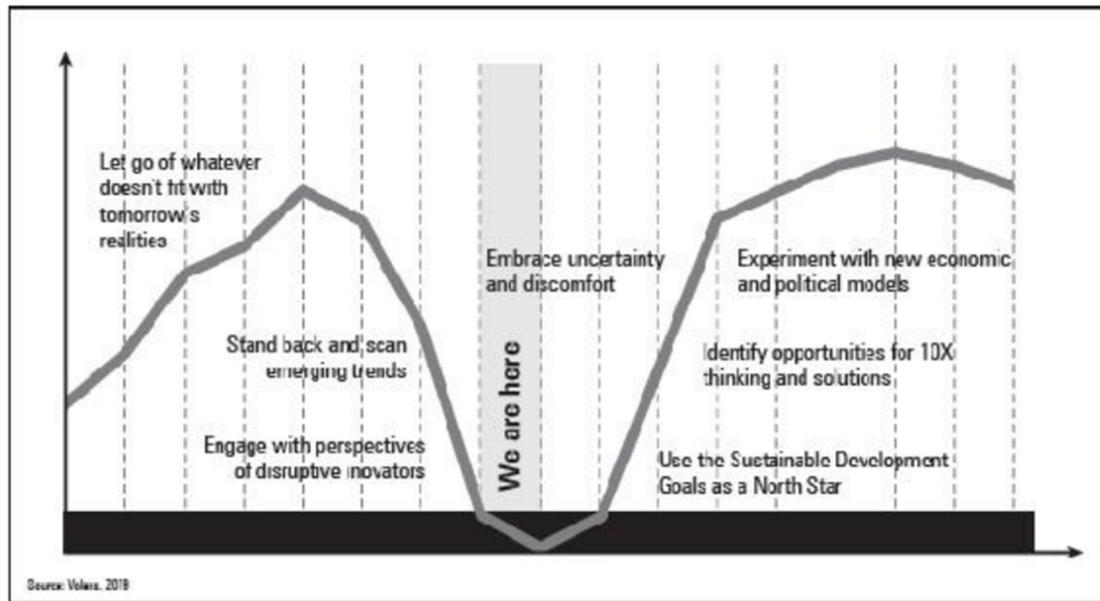
A survey conducted by Global Consumer Pulse *apud* Cruz (2021) showed that 83% of Brazilian consumers prefer to purchase products and services from companies that defend purposes aligned with their personal values and move away from brands that remain neutral.

According to Brown and Nuttall (2022), purpose and environmental, social and governance issues pose critical challenges for both Boards of Directors and management. Besides, the COVID pandemic opened up the importance of corporations in establishing and taking their responsibilities and role in society, accelerating sustainable investment in different themes.

The changes induced by the pandemic will forever alter consumer behavior, while it also brings a wave of innovation and new types of entrepreneurs, new ways of working

- including the use of artificial intelligence - and increase in government programs. (CRUZ, 2021)

FIGURE 1 – CAPITALISM U BEND



Source: Elkington (2020).

Larry Fink (2022), CEO of the largest investment company, mentions in an open letter that the pandemic has accelerated the evolution, innovation, and transformation of many companies, as they must create value and be valued by their full range of stakeholders. He states that the company's purpose should be the foundation and connection in its relationships. To illustrate it, global financial assets total USD 400 trillion with investment criteria based on sustainable development, such as the decarbonization of the global economy, climate risk mitigation such as the reduction of greenhouse gases (GHG), among others.

Capitalism is a catalyst for society change. In addition, governments and their institutions need to define sustainability, regulatory and dissemination policies, in addition to increasing investments in innovation and technology, to stimulate this transformation that impacts society and the environment. (FINK, 2022)

The past decade was the warmest on record in history. In line with the presented context, the Manifesto of Brazilian Cooperativism for COP26 (2021) explains that it is essential to reduce greenhouse gas emissions into the atmosphere through the regulation

of the international carbon market, trade of carbon credits by different countries and sectors of the economy; combat illegal deforestation of Brazilian biomes; regulate laws that encourage the adoption of measures to protect and preserve the environment; encourage food production to fight hunger and food security in the world; implement public policies to promote cooperativism as a sustainable productive arrangement.

Antônio Guterrez, Secretary General of the UN (United Nations), states that “Only through partnership with companies can we effectively tackle the climate crisis, inequalities, systemic racism, diminishing trust in institutions and other age-old challenges that the pandemic intensified.”

2. Evolution and milestones of sustainable development efforts

The concept of sustainability is not new. John Elkington apud Cruz (2021) created the concept of the sustainability tripod (social, environmental, and financial) to characterize the results of an organization. Therefore, in order to be sustainable, a company must be financially viable, socially fair and environmentally responsible.

The World Committee on Environment and Development, created by the UN to discuss and propose ways to match economic development and environmental conservation, defined sustainability as a development that does not deplete resources for the future. According to the Brundtland Report (1987), the sustainable use of natural resources must "meet the needs of the present generation without affecting the ability of future generations to meet theirs". (CRUZ, 2021)

In order to illustrate the development of the theme over the years, the table below shows the main milestones and advances which were observed:

TABLE 1 - MILESTONES AND ADVANCES OF THE RELATED THEMES

Year	Milestone	Advances
1945	UN Creation	Discussions on social, environmental and governance, especially fighting poverty and maintaining peace.
1972	Stockholm Conference	Environmental debates.
1992	Rio-92	Promotion of sustainable development with a focus on protecting the environment. Launching of Agenda 21.
1997	GRI creation	Independent international standards organization that helps companies, governments and other organizations understand and

		communicate their impacts on issues such as climate change, human rights, and corruption.
1997	Kyoto Protocol	Signatories commit to reducing GHG emissions.
2000	Global Pact	The UN launches the Global Pact to encourage companies to adopt sustainability policies and responsibilities
2005	ISE B3	Corporate Sustainability Index Creation
2005	ESG	The UN report “Who Cares Wins” coined the term to encourage the integration of environmental, social and governance criteria in the capital market.
2010	ISO 26000	Guidelines on Social Responsibility for incorporation into decision-making processes and accountability for the impacts of its decisions and activities on society and the environment.
2012	Rio +20	Reaffirmation of Rio-92 commitments, focusing on the green economy in the context of sustainable development and poverty eradication. Structuring the document “The Future We Want”.
2015	IBGC	Updating of the Brazilian Code of Best Practices in Corporate Governance.
2015	2030Agenda	193 United Nations Member States ratify the document “Transforming Our World: The 2030 Agenda for Sustainable Development”, establishing the SDGs.
2020	World Economic Forum	Reinforcement of the urgent need for global actors to cooperate in combating the COVID-19 crisis.
2020	Positive Agenda	The IBGC suggests measures to be taken by leaders, based on ethics and integrity; diversity and inclusion; environmental and social; innovation and transformation; transparency and accountability; and advice for the future.
2021	COP-26	UN climate conference. Although it did not achieve all that was hoped for, concrete steps were taken to maintain the Paris Agreement goals of limiting global warming to 1.5°C above pre-industrial levels.

Source: Cruz (2021) and UN (2021).

Supporting this evolution, the Federal Constitution of 1988 (CF/88) brought many advances to Brazil in the socioeconomic and political aspects, resulting in a greater participation of organizations in these agendas. In addition, it established the social function of property as one of its principles, in which the company assumes social responsibility, based on a commitment to stakeholders. In addition to generating gains for the owners, it must meet the desires of society, coexisting in a harmonious way. (CRUZ, 2021)

This is how the discussions on sustainable development evolve, bringing to light the importance of cooperation between States and companies. The changes that have taken place in the economic and social order have brought a new role for companies and a new expectation of society in relation to them, so that the business itself is oriented towards the development of sustainable production chains.

As Cruz (2021) points out, there is a gain in aligning private social investment with the business of companies, generating benefits for all. Fulfillment of the social function of companies in line with private social investment greatly converges with the implementation of the ESG agenda.

3. The essence of the ESG Agenda

In this context, in 2005, the ESG (Environmental, Social and Governance) concept was born, from an initiative led by the UN. Over the years, large companies have committed themselves, with clear and measurable goals, to prioritizing sustainable development and corporate social responsibility (protecting natural resources, respecting human rights and maintaining transparency and integrity), becoming protagonists in these themes. and still maximizing their profits.

ESG corresponds to an organization's environmental, social and governance practices. It has gained great visibility, due to the growing concern of the financial market about sustainability, considering its three pillars for risk analysis and decision making for investments.

TABLE 2 - MAIN CRITERIA FOR THE ESG PILLARS

ENVIRONMENTAL	SOCIAL	GOVERNANCE
Make rational use of natural resources	Improve working conditions and relations	Preserve the independence of the directors board
Preserve biodiversity	Stimulate inclusion and diversity policies inside and outside the company	Adopt diversity criteria when choosing board members
Reduce greenhouse gas emissions	Provide proper training to employees	Ensure fair and rational salaries
Waste nothing (zero waste)	Respect Human Rights	Follow ethical and anti-corruption business conduct
Seek full energy efficiency	Ensure privacy and security of employee and customer data	Practice fiscal transparency
Treat solid waste	Promote a positive impact on the community in which it operates	Prevent cases of harassment, discrimination and prejudice

Source: Sistema OCB (2021)

In the environmental pillar (E), one can highlight management practices of GHG, waste, ecological impacts, environmental risks, efficient use of natural resources in the production process, management of water use, biodiversity, renewable energy, earth management as well as innovation for sustainable product design.

According to Cruz (2021), the industry that most pollutes the environment is oil and then clothing. Only 10 countries are responsible for generating almost 70% of all GHG in the world, with China being the largest contributor, followed by the United States. Brazil ranks seventh. In Brazil, deforestation and agribusiness are the biggest generators of GHGs, as deforestation is decreasing the Amazon's ability to absorb carbon. According to a survey by Inpe (2021), carbon emissions were 10 times greater in places with more than 30% of deforested area.

Another important theme in this pillar is the circular economy with a focus on reuse, transformation and recycling, with the aim of reducing waste disposal and pollutant emissions. It is estimated that it will move about US\$ 1 trillion in transactions over the next ten years. In Brazil, the National Solid Waste Policy was implemented by Law No. 12,305/2010, with the objective of regulating and reducing the use of raw materials and delaying the disposal of waste. (CRUZ, 2021)

The social pillar (S) deals with the company's relationships with its employees, customers and society, community actions, health and safety, human rights, accessibility, incentives for volunteering, employee appreciation, customer well-being, diversity, equity and inclusion (DEI), etc. To comply with this diversity agenda, companies need a DEI policy, with principles and values and metrics, which are incorporated into their planning and processes, which encourages a change in the culture and habits of leaders and employees.

Among the commitments assumed by States and companies within the scope of the Global Compact are greater female participation and opportunities for leadership in political, economic, and public life; full and decent employment for all, including young people and people with disabilities, at equal pay; social, economic and political inclusion without distinction of age, sex, disability, race, ethnicity, origin, religion, economic condition, etc. (CRUZ, 2021)

In terms of corporate governance (G), the mechanisms that make management act in the best interests of its long-term shareholders are considered; they include the structures and diversity of the Boards, auditing, risk management, business ethics, anti-corruption, financial strength, transparency, shareholder rights, executive compensation policies and the prevention of illegal practices (compliance).

The number of female CEOs in America in 2021 is a record, despite still being low. Currently, there are only 41 women at the helm of Fortune 500 companies, which represents just 8.2% of all Fortune 500 companies. (FORBES, 2021)

The IBGC (2015) conceptualizes corporate governance as a system by which the organization is directed, monitored, and encouraged, involving the relationships between partners, board of directors, supervisory and control bodies and other interested parties. For the CVM apud Cruz (2021), the adoption of good corporate governance practices provides an increase in the value of the company, as they have consequences on the capital cost reduction.

The implementation of the ESG agenda requires commitment from everyone in the company and stakeholders, a change in culture and values, training of people at all levels, and the constant look of leadership, that is, of corporate governance. Sustainability policies, guidelines and goals incorporated in the strategic planning process are necessary, as the *raison d'être* of the business, in addition to greater regulation and pressure from external actors. It is not only about the sustainability of the company in the ecosystem, but about the survival of the planet and the people that make it up.

The Agenda is strongly linked to stakeholder capitalism. Cruz (2021) mentions that companies should be concerned about their shareholders and investors, society, suppliers, partners, customers, all stakeholders, impacting them positively. It is important, however, to take some care regarding so-called greenwashing, or "green bath". This term concerns the appropriation of environmental practices by organizations, masking the environmental impacts of their activities, by using marketing techniques and public relations. (E-INVESTOR, 2022)

Investors want to understand the relationship between sustainable actions and practices and business performance, considering materiality, since there has been a multiplication

of practices without converging with the core business of the company. Materiality can be defined as the relevance of the different ESG factors for the performance of a given organization, guiding it to act according to its purpose. The financial sector working with sustainable finance; mineral, with responsible mining, for example.

Many have already been born with missions aligned with sustainable development, committed to improving their ecosystem in ESG aspects, as is the case of cooperatives. The cooperative business model has been committed since its origin, through its principles, with the aim of making the world a fairer, happier place and with better opportunities for all, from the balance in economic and social development.

In cooperativism, there is no concentration of riches, because its model is distributive. In addition, pillars of corporate governance of large companies have always been part of cooperative practices: democratic management, transparency in decisions and financial sustainability. (SISTEMA OCB, 2021)

The focus of cooperatives is oriented to people (not capital), on promoting better living and income conditions for their associates and valuing the environment, as well as on the local development of the communities in which they are inserted. According to OCB (2021), there are 2.6 million cooperatives in the world, generating 250 million jobs in 100 countries, bringing together 1 billion people. Simon Sinek states that "100% of customers are people. 100% of the employees are people. If you don't know about people, you don't know business."

Viana (2016) points out that society and the UN itself recognize the high resilience of cooperatives in the face of crisis situations, due to the business model and the principles that govern cooperativism. However, even if cooperativism was already born with these characteristics, it is not enough to be cooperative to be sustainable. It is necessary to constantly evolve and guide your actions, practices, metrics, and communications to the new scenario that the theme ESG imposes.

4. Investment in ESG

Many countries already make demands for their business transactions to be based on ESG throughout the production cycle, as well as to influence companies to implement

a code of conduct, and social responsibility of the enterprise. As Cruz (2021) foresees, they encourage the ethical responsibility of companies through good business practices and compliance with state regulation.

According to a report by PwC apud PACTO GLOBAL (2021), by 2025, 57% of mutual fund assets in Europe will be in funds that consider the ESG criteria, which represents US\$ 8.9 trillion, and the total ESG assets are expected to exceed US\$ 50 trillion. The global sustainable bond market reached \$732 billion in 2020, an increase of 29% from 2019. In addition, 77% of institutional investors surveyed by PwC said they plan to stop buying non-ESG products in the next two years. It also points out that in Brazil ESG funds raised R\$ 2.5 billion in 2020. (PACTO GLOBAL, 2021)

According to Ernest Young's Climate Change and Sustainability Services, the ESG criteria are entirely related to the Sustainable Development Goals (SDGs). The SDDs explain the great challenges and vulnerabilities of society and define 169 goals to be achieved through a joint action that brings together different levels of government, organizations, companies, and society at the international, national, and local levels by 2030. (PACTO GLOBAL, 2021)

In Brazil, the relationship between the SDGs and business is present in large companies. The São Paulo Stock Exchange Corporate Sustainability Index (ISE B3) was the fourth sustainability index created in the world, to reflect the theoretical return of shares of publicly traded companies listed on the stock exchange under the aspect of corporate sustainability. The index differentiates these companies by the level of commitment to sustainable development, equity, transparency and accountability, product nature and business performance in the dimensions of the ESG. (E-INVESTOR, 2022)

As B3 (2022) discloses, the 2022 ISE B3 portfolio brings together 46 shares, from 46 companies, belonging to 27 sectors, which a total amount of R\$ 1.74 trillion in market value. According to the Pacto Global (2021), 83% of them have processes of integrating the SDGs into strategies, goals and results.

E-investor (2022) states that several financial instruments have been created to enable the raising of capital focused on sustainable development, such as green, social, sustainable, and sustainability-linked bonds (green, social, sustainability and sustainability-linked bonds - SLB). They have in common the purpose of fostering a

positive socio-environmental impact that can be measured from cost and performance indicators (KPIs). LBS have the following pre-defined targets: to reduce the intensity of GHG emissions by 15% by 2030; 97% recycled waste by 2025; 100% renewable electricity consumption by 2022.

Green bonds are fixed income securities used to raise funds to deploy or refinance projects or assets that are positive for the environment. In Brazil, these resources are mainly used in the forest, renewable energy, and transportation sectors, but operations with other sectors, such as waste, sanitation, and buildings, are already beginning to appear more frequently. (FEBRABAN, 2021)

Cruz (2021) points out that Law No. 14,119/2021 instituted the national payment policy for environmental services, defining green bonds as one of the payment methods. The Inter-American Development Bank (IDB) said that the launching of these green bonds in the country rose 41% compared to 2020, with a growth outlook for the coming years.

Practices related to sustainable land use, renewable energy, health, education, and green infrastructure, including sanitation, are conducive to attracting investments in order to support the country in its climate goals and in a greener and more inclusive economic recovery.

5. Good practices and results of the adoption of the ESG Agenda

Positive results are increasing, although there is not a single seal or certification that ensures that the company is 100% adherent to the ESG agenda. On the other hand, there are many studies, sustainability reporting models and good practices that can and should be used in the fields of cooperativism.

Certifications help the company to make its programs more sustainable, keep a record of its achievements, with auditable information, allowing the communication of its results. They are seals that show to the market that the company or product are meeting the required technical, environmental, social and governance requirements.

B Companies, for example, are a new type of business that balance purpose and profit, considering the impact of their decisions. They go through a rigorous certification

process, meeting minimum performance standards and making a strong commitment to transparency. (SISTEMA B BRASIL, 2021)

There are many certifications in Brazil and in the world related to the theme of sustainability. In cooperativism, Febraban (2022) developed the Prosper Coop Program in order to show ways for credit cooperatives to actually put actions into practice in this sense, helping them in decision making and project design, following a logical and feasible sequence.

Exame's Best and Largest ranking (2021) lists the companies with the highest scores in relevant metrics of environmental, social, and corporate responsibility practices aligned with ESG. Some companies that stood out the most within their sectors were: Gol, Cooperativa Cooxupé, AES Brasil, Central Nacional Unimed, among others.

TABLE 3 – EXEMPLES OF LARGE COMPANY PRACTICES

Enterprise	Branch/sector	Main Pillar	Practices
Raízen	Energy	Environmental	Low-carbon economy
The company aiming at a low-carbon economy has established four axes that guide its actions, such as GHG emission management, the incorporation of the theme in decision-making tied to governance, boosting the energy transition, and encouraging its ecosystem to strengthen the positive agenda on this front. In addition to the actions, Raízen has set public goals for achieving these goals, such as reducing the carbon footprint of sugar and ethanol by 10% by 2030.			
Suzano	Paper and cellulose	Environmental	Environmental preservation
In addition to growing and harvesting trees for bioproduct production, Suzano plants and preserves native trees in more than 35% of its areas, preserving biodiversity, soil, and rivers. By doing that, the company can capture and keep more than 270 million tons of CO2 stored, helping to reduce the effects of climate change and the conservation of water resources and pollination, for example.			
O Boticário	Cosmetic and perfumery	Governance	Diversity and inclusion in the staff of employees and leaders
Among the group's goals are, by 2023, having a staff with at least 50% of black employees and having at least 25% of black people in corporate leadership. By 2025, the goal is to have at least 50% of women in board positions and, by 2030, ensure the representativeness of minority groups in leadership positions, providing a progressive increase in affirmative purchases to stimulate entrepreneurship of smaller groups. It also intends to have 100% of the products designed with the participation of these same groups, in addition to offering a portfolio of inclusive and diverse products, including different lifestyles.			
Itaú	Credit	Social	Creation of iti bank, digital and free for small and medium-sized enterprises
With a strong performance in ESG, Itaú reevaluated its strategy and updated its goals, further stimulating independence and financial inclusion with the creation of iti, digital and free banking. The platform's proposal is to contribute to the growth of 300,000 micro, small and medium-sized enterprises by 2026, providing support to management and strategic decisions, opening new markets, advising on financial recovery and access to the best sources of financing for growth.			

MRV	Construction	Environmental	With solar power, MRV offers 15% discount on the electricity bill
This construction company creates a network of partnerships with solar farms and makes the benefit available to customers and employees. In Minas Gerais state, the construction company's base, the reduction reaches 15%. MRV makes an agreement with the partner solar farm to achieve the reduction, which generates the energy and plays on the distributor's network. This generates a credit that is then passed on to the consumer in the electricity bill. Each distributor has its own policies, that is why there is a variation in the debilled amount.			
Unilever	Industry	Environmental	Unilever reduces more than 10,000 tons of virgin plastic in packaging
With the volume announced, Unilever reaches almost 30,000 tons of recycled plastic in its brand packaging, which contributes to achieving its sustainability goals by 2025. The manufacturer announces the insertion of more than 10,000 tons of recycled plastic in the packaging of the company's four-brand products. In the food category, the novelty is the use of recyclable material, monomaterial polypropylene, which expands the recyclability of the recycled flexible.			
Goodyear	Industry	Environmental	Goodyear announces tire produced with soybean oil
The manufacturer announces the first tire produced in Brazil that brings soybean oil in its composition, replacing oil derivatives. According to it, the product has better attributes than the previous model. In addition to being a renewable compound, the soybean oil used by Goodyear provides performance at different temperatures, which gives the tire greater grip on the track and further improves its performance.			
99, Caoa, Movida	Automotive	Environmental	99, Caoa, Movida and others make alliance to develop electric cars
The main goals with the partnership are increase the participation of electric cars to 10% of sales, create 10,000 public charging stations and have 100% of the app's fleet by 2030. The fact that the app has 750,000 active partner drivers can provide the scale needed to encourage demand.			

Source: Exame (2022)

You can check best practices across multiple industries and at different stages of the process. The realities of cooperatives are very different, either by size, structure, or time of existence. And these differences are also reflected in the degree of knowledge about ESG in carrying out initiatives in this sense. It is possible to observe that some are in the process of raising awareness and understanding of what ESG means, how to apply this proposal to their business and what to do to connect it to their strategy. Others have already organized themselves for this and spread in a systemic way guidelines of what needs and should be done, classifying and organizing actions within the strategy, having indicators and goals defined.

Here are some examples of what is already done in cooperativism:

Coopercitrus – Agribusiness

Main Pillar	Practices
Governance	Implementation of Corporate Governance, by splitting the board of directors and the executive management. Creation of the Corporate Governance Department and the preparation of GRI.
The Governance Implementation Process began a few years ago, with the division of the board of directors and executive management and is gaining momentum, now with a department focused on the implementation and monitoring of governance policies. Creation of the Corporate Governance Department and preparation of GRI.	
Social	Training of qualified and specialized human capital for the agricultural sector
Education is one of the pillars to strengthen the sustainable social development of the community. The technical course in agribusiness by Etec, started in 2020, and the Higher course in Big Data by Fatec are part of strategies to promote social transformation, forming human capital trained and specialized to the agricultural sector. It also carried out the construction of the educational building, located in the Foundation, which will house the classes, courses, and training to agriculture professionals.	
Environmental	Forest recovery Restoration of degraded mines Reforestation of permanent preservation area Reverse logistics of agricultural pesticide packaging
Coopercitrus Credicitrus Foundation, created in 2019, is the materialization of the environmental and social initiatives of the Cooperative Coopercitrus Foundation. Credicitrus carries out forest recovery and restoration projects for degraded mines. In order to support the rural producer in the reforestation of permanent preservation areas, it maintains a nursery with more than 169,000 seedlings of 83 forest species, which are directed to reforestation projects, to recompositing of areas or to the planting of commercial forests. These seedlings supply the Cooper Seed project and the Mata Viva Project, which work in the technical support for the reforestation of legal reserve areas and PPA (Permanent Preservation Area) of the rural properties of the cooperative members. The Olho d'Água Project, carried out in partnership with the company Nortox, focuses on the preservation and recovery of mines and springs within rural properties, contributing to the increase in water availability and biodiversity. Coopercitrus is a national reference in the reverse logistics of agricultural pesticide packaging, through the Campo Limpo System, an initiative of InpEV (National Institute of Empty Packaging Processing). In all its units, the cooperative has empty packaging collection points; there are two collection centers.	

Source: Mundocoop (2021)

COOPAVEL – Agribusiness

Main Pillar	Practices
Environmental	No-tillage Protection of water mines Treatment ponds; triple washing of pesticide packaging; alternative energy technologies; biodigesters; photovoltaic plants; recycling of reusable materials, capture and use of rainwater; composting of solid waste, which is transformed into fertilizers; Protection of ripica forests and recompositing of degraded areas; Effluent treatment
No-tillage was developed to cope with erosion and its enormous damage. Always attentive to the norms and laws, the cooperative has treatment ponds, disseminates, and practices the triple washing of pesticide packaging and adopts alternative technologies for energy production in some of its units. The techniques employed are biodigesters, which transform biomass into energy, and photovoltaic plants, where 468 solar	

panels meet the demand for electricity of the structure throughout the year. Recycling, capture, and use of rainwater, composting of solid waste, everything is transformed into fertilizers.

Source: COOPAVEL (2022)

SICREDI – Credit

Main Pillar	Practices
Governance	Creation of Sustainability Committees
	<p>Sustainability Committees were created at the three levels of the institution: national, regional, and local, thus reinforcing the organizational culture of sustainability. Today, 43.5% of Sicredi cooperatives already have sustainability committees and more than 10,000 employees have been trained on the subject, aiming at the role of each one in the sustainable development of the institution. The committees advise the boards of directors of the entities, offering an environment of discussion, recommendation of prioritizations and monitoring of their performance in sustainability.</p> <p>It has the Belonging Program that stimulates participation of members in assemblies and decision-making processes of cooperatives, including those related to their management and development.</p> <p>It provides the Sicredi FIC Sustainable Actions ESG, an ESG-focused action fund, focused on companies aligned with the sustainability strategy of the Sicredi System. That generates a positive impact on society, in addition to profitability to the associate.</p>
Social	Promoting the development of the local community through social projects
	<p>It promotes local development through the virtuous cycle, in which the raised funds remain in the region covered by cooperatives and are directed to credit operations of associates in the same region. In local development projects that are linked to credit, Sicredi supported 28,077 micro and small enterprises through the National Support Program for Micro enterprises and Small Businesses (Pronampe).</p> <p>Sicredi also made a social investment of R\$ 158.8 million through the Technical, Educational and Social Assistance Fund (FATES), donations, incentive law and Social Fund. The latter had R\$ 30.7 million invested in 3,287 social projects of collective interest in education, culture, sport, health, safety, environment, and social inclusion, promoting the development of the regions where they are inserted.</p> <p>Education is a strategic focus of Sicredi. So, in 2021 they maintained the development of programs focused on the theme. The Sicredi Foundation in partnership with the Centrals has developed 24 training classes for pedagogical advisors in the A União Faz a Vida program, which, on its 26 years of existence, has already impacted more than 3.7 million children and adolescents, had 180,000 educators involved and more than 2,600 participating schools in 520 municipalities in 11 Brazilian states. The Cooperative School Program, which aims to expand the learning opportunities of children and adolescents through social and cultural activities, resulted in the 2021 incentive to 152 School Cooperatives in 82 municipalities, impacting 4,100 students. It has courses of the Pacto Global in the employee internal platform of education.</p>
Environmental	Green economy, solar energy financing, GHG neutralization
	<p>Sicredi allocated, in 2021, R\$ 24.6 billion in credit aimed at the green economy, which focuses on the positive impacts on society and the environment, bringing improvement of well-being to all and reducing environmental impacts. One of the highlights was the financing for solar energy, with the granting of R\$ 3.3 billion in credit. In 2021, F, signed a partnership agreement with the International Finance Corporation (IFC), a member of the World Bank Group, to raise US\$120 million to stimulate solar energy projects throughout Brazil. In 2021, Sicredi cooperatives avoided the emission of 580 tCO₂e (tons of co₂ equivalent) through self-generation of solar energy and many have already neutralized 100% of their GHG emissions with support for five projects aligned with the SDGs.</p>

Source: SICREDI (2021)

SICOOB – Credit

Main Pillar	Practices
Governance	Single Governance / Social and Environmental Risk Audit
Single Governance (Board of Directors and Executive Board) was established to modernize the governance structure, provide greater speed to processes, improve efficiency, obtain greater synergy between areas, reduce costs and reinforce the internal commitment to increasingly rationalized use of resources. There is a social and environmental risk audit - RSA, focusing on socio-environmental risk management, and environmental and social risk assessment policies. The audit scope comprises the centralized socio-environmental risk management structure at Banco Sicoob.	
Social	Financial Education for various audiences
Sicoob promotes financial education for several audiences: for employees and cooperative members. It is offered online in its own educational learning platform and financial education trails are developed in partnership with the Central Bank of Brazil; for communities, with initiatives implemented through the Sicoob Institute in cooperation with the central cooperatives and the unique cooperatives of the communities where it is present; for people with disabilities, with lectures, among other actions. In addition, you have an adapted traveling bus for professional and citizen training. The development cooperation building is an initiative organized and conducted by the Sicoob Institute in partnership with Sicoop Cooperative Bank S.A. It is the selection and annual financial contribution, through federal laws of tax incentives, to cultural or sports projects aligned with the themes cooperativism and entrepreneurship, financial citizenship and sustainable development.	
Environmental	Sustainable credit lines
Availability of own lines of sustainable credits created by cooperatives in their regions of operation according to the profile of the production chain and local needs. Very diverse, they are intended for clean and renewable energy projects, energy efficiency, sustainable buildings, technologies, and equipment that promote the reduction of emissions and waste and circular economy solutions. In agriculture, there are investments aimed at the regeneration of natural systems, such as preservation of springs, reforestation, and recovery of degraded areas.	

Source: SICOOB (2020)

CRESOL – Credit

Main Pillar	Practices
Governance	Certification program
Certification confirms the sustainability processes in rural properties, suiting them to global development needs. With it, cooperative members become able to market bags of soybeans with companies and markets that require certification, in addition to the sale of SUSTAINABILITY RTRS credits.	
Social	Connected youth
The project aims to foster Cresol's relationship with the young public, instigating personal and professional development through the cooperative education, financial education, and professional education axes.	
Environmental	Sustainable credit lines

Availability of own lines of sustainable credits created by cooperatives in their regions of operation according to the profile of the production chain and local needs. Very diverse, they are intended for clean and renewable energy projects, energy efficiency, sustainable buildings, technologies, and equipment that promote the reduction of emissions and waste and circular economy solutions. In agriculture, there are investments aimed at the regeneration of natural systems, such as preservation of springs, reforestation, and recovery of degraded areas.

Source: FEBRABAN (2022)

UNIMED DO BRASIL – Health

Main Pillar	Practices
Governance	Certification for the Unimed System and transparency requirements
	Institutional representative of the Unimed brand, develops a biennial certification process for unimed system cooperatives to stimulate good corporate governance and management practices, with a focus on sustainability. It has ISO 9001 and 31000 certificates, Company Pro Ethics recognition, code of ethics, complaints channel, risk management, information security, among others.
Social	Training, education and EIO
	Training and development of young people and children through teaching, volunteering, diversity, and inclusion project. Issues of independence and diversity are considered, especially the diversity of knowledge, experiences, behaviors, cultural aspects, and age group. The service contracts of the Central Nacional Unimed have social and environmental responsibility clauses that consider obligations with the environment and with human and labor rights, such as the non-hiring of child or enslaved labor.
Environmental	Waste management and recycling
	Works with waste management and recycling.

Source: UNIMED DO BRASIL (2021)

Waste pickers' cooperatives - Work, production of goods and services

Main Pillar	Practices
Environmental	Waste pickers' cooperatives as agents of the circular economy
	The federal government has launched the Recicla + program, which establishes the Recycling Credit Certificate. From the program, recycling credits are issued, which include cooperatives in the logistics chain of large and medium-sized enterprises, where producers buy credits from cooperatives, which will finance the work of collecting recyclable materials. It is noteworthy that waste pickers' cooperatives are responsible for collecting and disputing almost 1 million tons of recyclable material per year, according to estimates by the National Association of Waste Pickers and Waste Pickers (ANCAT).

Source: Exame (2022)

As noted, small businesses also need to implement this Agenda, as many are suppliers to large companies, which require compliance and transparency throughout the chain. However, it is necessary to expand the actions with metrics, defined from the

materiality of each business; to make commitments to the Agenda, aligned with the strategy; document, measure and communicate in the different forums in order to transform purpose into products and services delivered to society.

6. ESG: an opportunity for cooperativism

The understanding and applicability of ESG criteria by Brazilian companies is increasingly a reality. Acting according to these standards increases the competitiveness of the business sector, whether in the domestic market or abroad. In today's world, where companies are closely monitored by their diverse stakeholders, ESG is an indication of solidity, lower costs, better reputation and greater resilience amid uncertainties and vulnerabilities. (PACTO GLOBAL, 2021)

The non-adoption of the ESG Agenda can impact the survival of business and humanity. Thus, it is necessary to appropriate the term in its entirety by the cooperative model, given that cooperatives, regardless of size, are major agents inducing sustainable development, in the three pillars.

Despite the convergence in principles and values, there is still much room for the incorporation of the Agenda in cooperativism as a whole, requiring actions that boost cooperatives in this process. Only a few present sustainability reports, have certification that attests to practices, or have sustainability advice or sustainable metrics to be achieved. Thinking about it, it was proposed, then, some steps to be observed by the cooperatives for greater adherence to the ESG:

FIGURE 2 - STEPS FOR ADHERENCE TO ESG



Source: The authors (2022)

- Governance performance as a vector of integration and engagement
- Structuring of the materiality matrix with stakeholders, prioritizing the themes of greatest relevance to the business
- Incorporating ESG aspects into strategic planning and the value chain
- Study of challenges and trends related to business that have mobilized people and companies
- Definition of methodologies and criteria according to materiality and the business value chain
- Definition of indicators for what is relevant and deployment of goals at all levels
- Use of internationally recognized metrics and concepts (Socio-environmental performance standards/IFC; Principles of Responsible Investment/PRI; EXAME Indexes, KPIS; Principles of Ecuador; circular economy; Carbon dissemination project, Sustainability Reports/GRI/SASB; SDMs; low-carbon economy; ISO; others)
- Understanding the composition of the product, the manufacturing process and natural resources used to design possible replacements
- Encouraging the use of renewable energy sources
- Knowledge of supply chain processes: if they are socially and environmentally friendly, to better select them
- Stimulating diversity, equity, and internal and external inclusion
- Preparation and dissemination of results and practices, as well as future objectives, engaging stakeholders in positive transformations
- Promotion of public policies and better regulation that favor the implementation of the ESG
- Support of representation, class and learning entities for advocacy and support in the process
- Encouraging cooperative members to adopt practices related to the business, generating shared value for the cooperative

There is no global standard for ESG adherence analysis, not least because it depends on what each investor considers important. However, the understanding that sustainable development is urgently needed through individuals, organizations, and states. This is not an overnight transformation, but a process of continuous improvement.

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