

ECORA Carbon Credit Certification Program

Document: FEEC003 – Socio-environmental Safeguards and SDG Tool

Public Consultation Stage

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1. Acronyms and Definitions

Term	Definition
Agriculture, Forestry and Other Land Use (AFOLU)	The sector defined by the IPCC that brings together Agriculture, Forestry, and Other Land Use activities used in the accounting of emission reductions or GHG removals.
Animal welfare	Animal welfare indicates how an animal is coping with the conditions in which it lives. An animal is in a good state of welfare (when indicated by scientific evidence) if it is healthy, comfortable, well-nourished, safe, able to express its innate behavior, and is not suffering from unpleasant states such as pain, fear, and distress. Animal welfare requires appropriate disease prevention and veterinary treatment, shelter, proper management and nutrition, humane handling and slaughter or euthanasia (WOAH, 2025).
Biodiversity	The variability among living organisms from all sources, including, notably, terrestrial, marine, and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species, and of ecosystems (CBD, 1992).
Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)	The program of the International Civil Aviation Organization to offset carbon emissions from international flights.
Crediting Period	The Crediting Period is the period over which a project is eligible to have its emission reductions or GHG removals verified for the issuance of UCE.
Critical Habitats	Natural or modified areas that have high value for biodiversity, including the occurrence of threatened, endemic, or migratory species, rare or highly threatened ecosystems, or areas essential for the maintenance of critical ecological processes and ecosystem services.
Customary Rights	Customs and practices repeatedly and traditionally accepted as norms, without being written or formalized by legislators, such as rules of indigenous peoples and traditional communities.
Ecosystem services	The benefits (and occasionally disadvantages or losses) that people obtain from ecosystems. This

includes provisioning services, such as food and water; regulating services, such as flood and disease control; and cultural services, such as recreation, ethical and spiritual, educational, and sense of place.

Free, Prior and Informed Consent (FPIC)	Mandatory procedure for projects that affect traditional peoples and communities classified in category “a – Rights holders and directly affected communities”, as per Section 5.19 of the ECORA Standard. The FPIC must include free, prior, and informed consent, respect the self-determination of the groups involved, and be conducted by legitimate representatives of the Stakeholders, as well as provide evidence that these groups have been adequately consulted and have agreed to the project.
Greenhouse Gases (GHG)	Gaseous components of the atmosphere, natural or anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of infrared radiation emitted by the Earth's surface, the atmosphere, and clouds.
High Conservation Value Attributes	Biological, ecological, social, or cultural characteristics of an area that have exceptional or critical importance, whose maintenance or improvement is essential for the conservation of biodiversity, ecosystem services, and/or the well-being of local communities and indigenous peoples.
Integrity Council for Voluntary Carbon Markets (ICVCM)	An independent and multisectoral governance body that sets integrity standards for the global voluntary carbon market.
IUCN Red List	Comprehensive global inventory of the conservation status of fauna and flora species, which assesses the risk of extinction based on standardized scientific criteria, maintained by the <i>International Union for Conservation of Nature</i> (IUCN).
Monitoring Period	The Monitoring Period is a time interval within the Crediting Period over which a project's emission reductions or GHG removals are verified for UCE issuance.
Monitoring Report (MR)	Document that describes the results of a project for the reduction of emissions and/or removals of GHG for a specific Monitoring Period, including general information, ownership, demonstration of additionality, compliance with socio-environmental safeguards,

stakeholder consultation and engagement reports, alignment with the SDGs, Baseline Scenario, calculations of emission reductions and/or GHG removals, Monitoring Plan, Non-Permanence Risk Report and Mitigation Plan, as well as other information specified in tools, methodologies, and modules of the ECORA Carbon Credit Certification Program. Its preparation must follow the template provided on the ECORA Platform.

National List of Threatened Species	Official list of fauna and flora species threatened with extinction in Brazil, established and updated by the Ministry of the Environment and Climate Change, based on national technical-scientific assessments.
Natural Ecosystems	Location composed of biotic and abiotic components that occur naturally, in a stable and self-sufficient manner.
Project	Activity or set of activities aimed at reducing GHG emissions and/or removals compared to the most likely Baseline Scenario.
Project Activity	Action or set of specific actions within the Project Area that generates emission reductions and/or GHG removals.
Project Area	The Project Area is defined by the specific geographic boundaries where the Project Activity takes place and where ECORA Carbon Units (UCs) are issued.
Project Design Document (PDD)	Document that describes a project for the reduction of emissions and/or removals of GHG, including general information, ownership, characterization of the Project Area and other relevant areas, demonstration of additionality, compliance with socio-environmental safeguards, stakeholder consultation and engagement reports, alignment with the SDGs, Baseline Scenario, calculations of emission reductions and/or GHG removals, Monitoring Plan, Non-Permanence Risk Report and Mitigation Plan, as well as other information specified in tools, methodologies, and modules of the ECORA Carbon Credit Certification Program. Its preparation must follow the template provided on the ECORA Platform.
Project Designer	Individual or legal entity formally designated by the Project Proponent to develop, monitor, and be technically responsible for a project for emission

reductions or GHG removals. The Project Designer may be the Project Proponent themselves or a different entity, provided there is a formal delegation of responsibilities. The Project Designer does not hold legal rights over the project or the credits generated, except when they are also the Project Proponent by express legal ownership.

Project Proponent

Individual or legal entity that holds formal authority and responsibility for the design, implementation, and management of the emission reduction or GHG removal project. The Project Proponent is the legal holder of the UCEs at the time of their issuance. May or may not be the Project Designer, as established in the contractual instruments between the parties.

Reduction Emission from Deforestation and Degradation of Native Vegetation (REDD)

Category of activities in the AFOLU sector that encompasses native vegetation protection practices aimed at reducing GHG emissions.

Stakeholder Consultation

Stakeholder Consultation is the structured process of participatory discussion of the project, which must be conducted by the Project Proponent with Stakeholders classified in categories “a”, “b”, and “c”, in a prior, free, informed, culturally appropriate, and documented manner.

Stakeholders

Individuals, communities, organizations, institutions, or other entities that have a legitimate interest, exert influence, or are affected, directly or indirectly, by the activities of design, implementation, monitoring, certification, commercialization, or use of carbon credits associated with a carbon project or program.

Sustainable Development Goals (SDGs)

UN global agenda composed of 17 goals aimed at promoting economic, social, and environmental development in an integrated and sustainable manner by 2030.

2. Introduction

Greenhouse Gas (GHG) reduction and removal projects certified by ECORA must follow socio-environmental safeguards and responsibility regulations, so that climate change mitigation actions do not result in adverse impacts on the environment and the communities involved. Furthermore, projects must contribute to the Sustainable Development Goals (SDGs) targets established by the United Nations (UN) 2030 Agenda.

Socio-environmental safeguards constitute a set of mechanisms and guidelines to ensure that projects, programs, or actions meet high standards of environmental and social responsibility. Their application aims to promote the conservation of ecosystems, the maintenance of ecosystem services, and respect for the rights of Indigenous Peoples, Quilombolas, and Traditional and Local Communities.

The SDGs are a set of 17 global goals established by the UN under the 2030 Agenda, adopted in 2015. These goals constitute an integrated and universal agenda aimed at promoting sustainable development, with targets to be achieved by the year 2030. The SDGs have 169 targets, which aim to eradicate poverty, protect the environment, and promote peace and prosperity for all by 2030.

The measurement of alignment with the SDGs in projects submitted to the ECORA Carbon Credit Certification Program demonstrates the contribution of GHG reduction and removal projects to the global sustainable development agenda. While GHG reduction or removal is directly related to SDG 13 (Climate Action), the quantification of indicators linked to other SDGs allows for the demonstration of additional positive impacts, such as income generation, biodiversity conservation, improved quality of life, and strengthening of local capacities.

The FEEC003 – Socio-environmental Safeguards and SDG Tool from ECORA aims to guide the Project Designer in determining the necessary actions for compliance with safeguards, applying measures for prevention and mitigation of socio-environmental impacts, determining impact monitoring indicators, when applicable, and assessing the project's contribution to the SDGs.

This tool is aligned with best practices and international references, including the Universal Declaration of Human Rights (UDHR), United Nations Declaration on the Rights of Indigenous Peoples, ILO Convention 169, Convention on Biological Diversity (CBD), Cartagena Protocol on Biosafety, and specific safeguards applicable to REDD+ Projects. The tool seeks alignment between the principles of integrity of the voluntary carbon market promoted by ICVCM and the rules of CORSIA and Article 6 of the Paris Agreement. For projects in Brazil, the tool also incorporates applicable national legislation, including the Federal Constitution of 1988 (arts. 68, 225, and 231), Law No. 12.651/2012 (Forest Code), Law No. 15.042/2024 (SBCE), Decree No. 6.040/2007, CONAREDD+ Resolution No. 19/2025, and the Regulatory Standards of the Ministry of Labor and Employment.

The FEEC003 – Socio-environmental Safeguards and SDG Tool consists of six Sections, namely: (1) *Acronyms and Definitions*, which presents the technical terms, concepts, and acronyms used throughout the document; (2) *Introduction*, which presents the context of the tool and its objectives; (3) *Tool Structure*, which briefly describes the structure of the tool; (4) *Applicability*, which defines the scope of use of the tool; (5) *Methodological Procedure for Tool Application*, which specifies the criteria for using the tool, its procedures, and step-by-step; (6) *References*: which presents the references used for the construction of the document.

This Tool consists of this instruction document and an electronic spreadsheet, which must be used to complete the assessment of safeguard compliance and measurement of SDG indicators. This electronic spreadsheet will be progressively incorporated into ECORA's digital project development platform.

3. Tool Structure

The FEEC003 – Socio-environmental Safeguards and SDG Tool from ECORA consists of:

- a. Socio-environmental Diagnosis, detailed in Section 5.1 of this document;
- b. Safeguards Assessment, detailed in Section 5.2 of this document;
- c. SDG Alignment Assessment, detailed in Section 5.3 of this document;
- d. Continuous Monitoring, detailed in Section 5.4 of this document.

Figure 1 illustrates the steps that must be followed for the application of the Tool, which are explained in the text below.

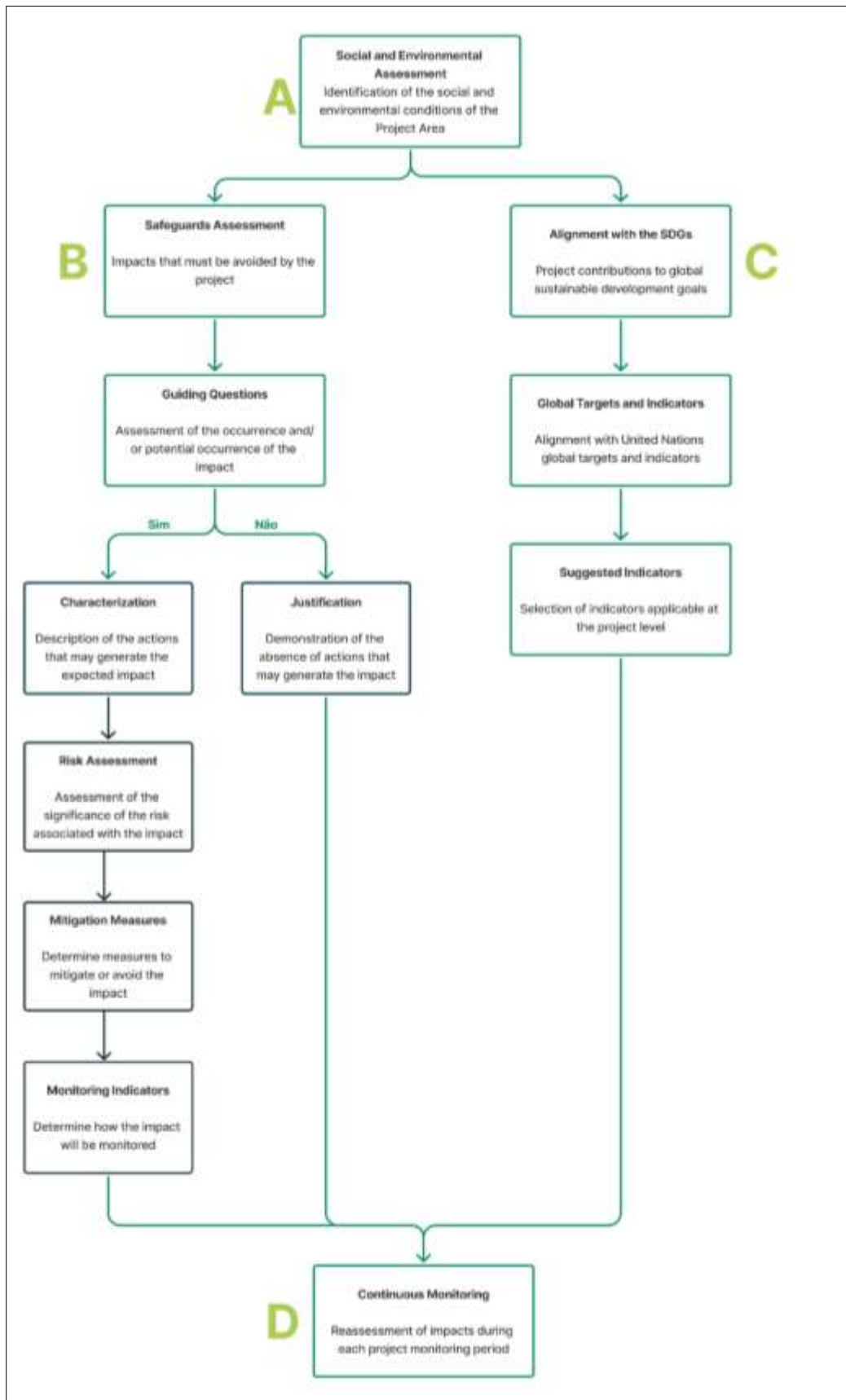


Figure 1. Steps for applying the FEEC003 – Socio-environmental Safeguards and SDG Tool.

Socio-environmental Diagnosis

Prior to project validation, the Project Designer must carry out the Socio-environmental Diagnosis, which will serve as the basis for completing and answering the guiding questions of the Safeguard Compliance Assessment and for completing the Measurement Indicators of SDG Alignment.

The Project Designer must use the Socio-environmental Diagnosis to fill in the corresponding section of the Project Design Document (PDD), present evidence for the identified impacts, and describe the measures adopted for their mitigation, as well as the applicable monitoring indicators.

Assessment of Safeguards Compliance

Based on the answers to the questions in the questionnaire presented in the “Safeguards_Assessment” tab of FEEC003 – Socio-environmental Safeguards and SDG Tool, the Project Designer must identify and characterize the project action that may generate socio-environmental impacts, assess the risk associated with the occurrence and magnitude of the impact, and determine mitigation measures to avoid or mitigate the identified impacts.

For each identified impact, the Project Designer must define monitoring indicators. The Project Designer may use the indicators suggested in FEEC003 – Socio-environmental Safeguards and SDG Tool or propose an indicator of their preference, provided it is based on current scientific references and approved by the Validation and Verification Body (VVB).

Assessment of Alignment with the SDGs

The Project Designer must demonstrate that the Project Activities generate positive impacts aligned with the SDGs. The selection of the SDGs must be duly justified regarding their applicability and the generation of benefits that go beyond compliance with legal requirements.

AFOLU projects must contribute to at least three SDGs, and non-AFOLU projects to at least two, with SDG 13 (Climate Action) being mandatory in both cases, whose contribution must be proven by the project's GHG reductions or removals.

For AFOLU projects, in addition to SDG 13, at least one SDG related to biodiversity must be included and, when applicable, a social SDG, provided that the project context involves relevant social interactions or impacts. The requirement to contribute to at least one socially relevant SDG may be replaced by an additional biodiversity-relevant SDG, provided the Project Designer demonstrates the non-applicability of social SDGs to the project context. Non-applicability will be characterized when there are no communities classified in the categories “a. Rights holders and directly affected communities” and “c. Project workers”.

To demonstrate the contribution to the SDGs, the Project Designer must use the “SDG_Indicators” tab of FEEC003 – Socio-environmental Safeguards and SDG Tool. In it, official SDG targets and compliance indicators established by the UN are presented. In total, the UN has 169 targets and 245 official SDG compliance indicators. The targets relevant to projects certified by the ECORA Carbon Credit Certification Program were selected. In the “Suggested Indicator” column, suggestions for monitoring indicators are presented for each selected target.

The Project Designer must use the indicators proposed by the tool. If these indicators are not applicable to the specificities of the project, the Project Designer may propose other indicators, provided they are duly justified.

Continuous Monitoring

This tool must be continuously replicated throughout the project's Crediting Period, as per section 5.4 of the document, with consolidated results in the Monitoring Report (MR).

4. Applicability

FEEC003 – Socio-environmental Safeguards and SDG Tool is mandatory for projects wishing to join the ECORA Carbon Credit Certification Program.

Regardless of the results of the assessment generated by this tool, the Project Proponent must comply with the current legislation at the municipal, state, and national levels, as well as with the regulations applicable to the Project Area.

5. Methodological Procedure for Tool Application

5.1 Socio-environmental Diagnosis

The Socio-environmental Diagnosis aims to identify the existing environmental and social conditions in the Project Area, serving as a basis for monitoring safeguard compliance throughout the project's Crediting Period.

The information collected directly supports the completion of the guiding questions in FEEC003 – Socio-environmental Safeguards and SDG Tool.

The Socio-environmental Diagnosis of the Project Area should preferably be based on primary evidence, such as photographic records, interviews, consultations with Stakeholders, and direct field data collection. The definition of the methodological approach must follow the logic of proportionality. Thus, primary evidence is mandatory for topics of greater materiality related to the rights of local communities, project workers, identification of atmospheric pollutants, waste generated by the project, and other environmental aspects considered sensitive. For aspects of lesser materiality, qualified secondary data may be used, provided their applicability is duly justified based on the following reference sources:

- a. Official databases at the state, national, and international levels, from government agencies, regulatory agencies, and reference institutions;
- b. Regional data, obtained from scientific articles indexed in recognized platforms, such as SciELO, Web of Science and Scopus;
- c. Relevant sectoral and statistical data, including socioeconomic, environmental, demographic, and technical indicators available in official reports and institutional publications.

All evidence of the collected data must be presented to the Validation and Verification Body (VVB) within the scope of the project's validation and verification processes.

The Project Designer must replicate the Socio-environmental Diagnosis throughout the project's Crediting Period, so that the socio-environmental information remains representative of the actual conditions of the Project Area and suitable to support the continuous application of FEEC003 – Socio-environmental Safeguards and SDG Tool.

The Project Designer must carry out the Socio-environmental Diagnosis in the project's starting year, covering at least the environmental (A) and social (S) information presented below.

A. Environmental Information

A1. Pollution, Soil, and Water Resources

- Identification and characterization of atmospheric pollutants and waste generated by the Project Activity, including solid waste, effluents, use of pesticides, fertilizers, and other chemical inputs;
- Characterization of soil and water resources in the Project Area, including aspects such as soil type, current use, vulnerability to erosion, surface water bodies, and groundwater resources.

A2. Habitats and Ecosystems

- Characterization of the physical and biotic environment of the Project Area, including climate, topography, hydrography, and vegetation cover;

- Identification of Critical Habitat areas and High Conservation Value Attributes relevant to biodiversity, such as protected areas, threatened or rare ecosystems, and areas with significant populations of threatened species.

A3. Biodiversity

- Identification of rare, threatened, or endemic fauna and flora species in the Project Area, based on the IUCN Red List, the National List of Threatened Species of MMA (for projects in Brazil), and other sources relevant to the biome or region;
- Identification of the presence of invasive exotic species in the Project Area;
- Identification of animal management activities associated with the project, when applicable, including practices of containment, feeding, housing, transport or other interventions that may cause suffering, stress, injuries or avoidable mortality.

A4. Natural Resources

- Identification and characterization of extraction, use, and harvesting practices of natural resources in the Project Area, including forest products, water resources, fauna, flora, or other resources considered relevant.

S. Social Information

S1. Human Rights and Gender Equity

- Assessment of existing labor relations on the property, communities, or Project Area, including risks related to the occurrence of child labor, forced labor, or other inadequate labor practices;
- Characterization of employment contracts, forms of remuneration, and employment conditions of project workers;
- Identification of social participation and gender equity structures related to Project Activities.

S2. Engagement and Communication with Stakeholders

- Identification of Stakeholders directly or indirectly affected by the Project Activity, or who have an interest in or potential to impact its implementation, considering a minimum range of 10 km from the perimeter of the geographic boundaries of the Project Area, according to the requirements of Section 5.19 of the ECORA Standard;
- Identification of legal and customary rights of ownership, access, or use of land, territories, and natural resources in the Project Area, including situations of overlap or conflict;
- Identification of the main forms and channels of communication used by the identified Stakeholders.

S3. Indigenous Peoples, Quilombolas, and Traditional and Local Communities

The assessment must be carried out in cases where communities are identified as falling under “Category a: Rights holders and directly affected communities,” according to the requirements of Section 5.19 of the ECORA Standard, which establishes specific measures for projects with direct impacts on these communities.

- Socioeconomic information of the communities, including land use, livelihoods, community infrastructure (health posts, schools, wells, community centers, among others), location of villages

and settlements on a map, and estimated number of residents per community and sources of employment inside and outside the property,

- Identification of existing income distribution mechanisms, organizational/institutional capacity to manage financial resources, and existence of prior benefit-sharing agreements with other projects;
- Identification of the existence of protocols or other existing consultation mechanisms;
- Characterization of local governance systems, including decision-making structures and traditional authorities;
- Identification of traditional cultural, social, or institutional practices and areas of cultural importance;
- Identification of High Conservation Value Areas that provide critical ecosystem services or are essential to meet the basic needs of communities, such as food, fuel, medicines, and building materials, or that have cultural relevance.

S4. Health and Safety

- Assessment of the exposure of project workers to physically hazardous working conditions, such as hazardous chemicals, dangerous wildlife, extreme weather conditions, or unstable terrain;
- Assessment of working conditions on the property, including the proper use of Personal Protective Equipment (PPE), safe access conditions, as well as the adequacy of facilities and accommodations, when applicable, with reference to the provisions of NR-6 and NR-31.

The Project Designer must use the Socio-environmental Assessment as the basis for answering the safeguard questions that comprise FEEC003 – ECORA's Socio-environmental Safeguards and SDG Tool, as well as for the identification of impacts, definition of prevention or mitigation measures, and establishment of applicable monitoring indicators.

5.2 Assessment of Safeguard Compliance

5.2.1 Safeguard guidelines

After the assessment, the Project Designer must complete FEEC003 – Socio-environmental Safeguards and SDG Tool, developed in compliance with the following Safeguard regulations.

International Agreements and Conventions

- Convention 169 of the International Labor Organization (ILO, 1991);
- United Nations Declaration on the Rights of Indigenous Peoples (UN, 2007);
- Universal Declaration of Human Rights (UDHR; UN, 1948);
- Convention on Biological Diversity (CBD, 1992);
- Cartagena Protocol on Biosafety (CBD, 2003).

Applicable Safeguards for REDD+ Projects

- REDD+ Safeguards of the United Nations Framework Convention on Climate Change (UNFCCC), 2008 (UN, 2008);
- Cancun Safeguards – Decision 1/CP.16: defined at COP16 of the UNFCCC, 2010 (UN, 2010);
- CONAREDD+ Resolutions No. 15/2018 and No. 04/2021: normative procedures that incorporate the Cancun safeguards into national legislation (CONAREDD+ 2018, 2021).
- CONAREDD+ Resolution No. 19/2025: which establishes guidelines for the implementation of jurisdictional REDD+ programs, public projects, and private forest carbon credit projects on public lands and collective territories occupied by indigenous peoples, quilombola communities, traditional peoples and communities, and family farmers settled by Agrarian Reform (CONAREDD+ 2025).

FEEC003 – ECORA's Socio-environmental Safeguards and SDG Tool is divided between environmental (A) and social (S) safeguards. For each topic, the Project Designer must:

A. Environmental Safeguards

A1. Pollution, Soil, and Water Resources

- a. Avoid degradation of air quality;
- b. Avoid the generation of waste classified as hazardous by ABNT NBR 10004:2004 regulations;
- c. Avoid soil degradation and its ecosystem services;
- d. Avoid the degradation of water bodies and aquatic ecosystems.

A2. Habitat and Ecosystems

- a. Avoid the conversion of natural ecosystems;
- b. Avoid negative impacts on natural habitats and areas of ecological connectivity.

A3. Biodiversity

- a. Avoid negative impacts on rare, endemic, threatened, or endangered species;
- b. Avoid the introduction and spread of invasive species;
- c. Avoid negative impacts on the well-being of wild and domestic animals.

A4. Natural Resources

- a. Avoid predatory exploitation of natural resources.

S. Social Safeguards

S1. Human Rights and Gender Equity

- a. Avoid practices or impacts resulting from project activities that lead to discrimination between individuals or groups;
- b. Avoid gender inequalities in access to opportunities, project activities, and participation in decision-making processes;
- c. Avoid unfair or unequal remuneration practices, aiming for fair pay and equal salary for work of equal value, without distinction of gender, race, ethnicity, social origin, or any other condition;
- d. Prohibit the involvement of children and adolescents in project activities that constitute child labor, in accordance with applicable legislation;
- e. Prohibit any form of forced labor, compulsory labor, or labor analogous to slavery.

S2. Engagement and Communication with Stakeholders

- a. Avoid the exclusion of Stakeholders impacted by the project in the consultation process;
- b. Avoid the absence or ineffectiveness of communication channels, ombudsman, and mechanisms for recording and resolving complaints that prevent Stakeholders from accessing information, expressing concerns, or seeking resolution of conflicts related to the project;
- c. Avoid conducting consultations with Stakeholders in non-inclusive or culturally inappropriate formats that limit informed and voluntary participation in the project's decision-making process.

S3. Indigenous Peoples, Quilombolas, and Traditional and Local Communities

- a. Avoid interferences that restrict or violate the right of Indigenous Peoples, Quilombolas, and Traditional Communities to self-determination, autonomy, and control over their territories and natural resources through the effective implementation of Free, Prior, and Informed Consent (FPIC) mechanisms, in accordance with Section 5.19 of the ECORA Standard;
- b. Avoid involuntary physical displacement due to project activities;
- c. Avoid interference, restrictions, or negative impacts that threaten the continuity of traditional practices, livelihoods, or community economies of Indigenous Peoples, Quilombolas, and Traditional and Local Communities;
- d. Avoid damage, destruction, mischaracterization, misappropriation, or restrictions on the transmission of the tangible and intangible cultural heritage of communities;
- e. Avoid project activities being carried out in community areas or affecting legal or customary use rights of communities without formal, documented agreements and clear mechanisms for fair benefit sharing.
- f. Avoid project activities limiting communities' access to independent technical and legal advice, when applicable;
- g. Avoid worsening pre-existing social vulnerabilities in affected communities.

S4. Health and Safety

- a. Avoid adverse impacts on the health of workers and communities involved in the project
- b. Avoid working conditions that put at risk the physical integrity and safety of workers involved in the project.

5.2.2 Guiding Questions

Each safeguard has guiding questions, with the aim of assessing whether the project may generate impacts that should be avoided or mitigated.

The Project Designer must answer all questions in FEEC003 – Socio-environmental Safeguards Tool and SDGs, and:

- If the answer is **NO**, you must fill in column F “If not, justify” in the “Safeguards Assessment” tab of the tool's spreadsheet, and provide justification confirming the answer, as explained below.
 - **Justification:** the Project Designer must fill in the justification field, proving the non-occurrence of the impact and include evidence to support the answer as an attachment (*Example: Safeguard: Avoid unfair or unequal remuneration practices, aiming for fair pay and equal salary for work of equal value, without distinction of gender, race, ethnicity, social origin, or any other condition; Impact: Unequal remuneration; Justification: According to the payslips and payroll spreadsheet presented, the average salary for females is R\$1,459.00 and for males is R\$1,432.00, showing a difference of only 1.8%.*)

When a risk is not identified (answer to the Guiding Question is NO), the Project Designer must provide evidence proving the nonexistence of this risk.

- If the answer is **YES**, you must fill in column G “If yes, characterize”, in the “Safeguards Assessment” tab of the tool's spreadsheet, as detailed below. After characterization, the Project Designer must carry out a risk assessment of the occurrence of the impact (Section 5.2.3), present prevention and/or mitigation measures (Section 5.2.4) and monitoring indicators (Section 5.2.5).
 - **Characterization:** the Project Designer must describe the project actions that may generate the identified impact. Evidence must be included to justify the characterization (*Example: Safeguard: Avoid air quality degradation; Impact: Air quality degradation; Characterization: Power generation plant emits Particulate Matter, according to attached reports*).

Once characterization is done, the Project Designer must assess the significance of the risks associated with the occurrence of the impact, as described in Section 5.2.3.

5.2.3 Risk Assessment

The Risk Assessment procedure of FEEC003 – Socio-environmental Safeguards and SDG Tool was developed in accordance with the “Technical Guide for Assessment, Management and Monitoring of Social and Environmental Risks”, prepared by the *International Union for Conservation of Nature* (IUCN) in 2020 (IUCN, 2020).

If the answer to the guiding question is **YES** the Project Designer must assess the significance of the risks associated with the occurrence of the impact. To do so, you must classify the expected impacts according to the criteria of Magnitude and Probability of Occurrence, described below, and fill in columns H “Magnitude” and I “Probability of Occurrence” in the “Safeguards Assessment” tab of the tool's spreadsheet.

Magnitude

- **Severe:** Large-scale impact, potentially affecting many people and/or a large territorial area. It is cumulative, long-term, permanent and/or irreversible;
- **Large:** High impact, also large-scale, affecting large areas and/or many people. It is reversible, but may last from short to medium term;
- **Medium:** Moderate impact, of limited scale, affecting smaller areas and fewer people. It is short-lived, predictable, and mitigable;
- **Small:** Low, localized impact with few affected. It is short-lived and easily avoidable or mitigable.

Probability of Occurrence

- **Common:** the occurrence is recurrent within the analyzed context;
- **Probable:** the occurrence has already been recorded in situations similar to the analyzed context;
- **Possible:** the occurrence is feasible and may happen under certain conditions within the analyzed context;
- **Unlikely:** the occurrence is possible, but it is not expected to occur in situations similar to the analyzed context;

- **Very unlikely:** the occurrence depends on exceptional or atypical conditions for the analyzed context.

Risk Significance Matrix

After filling in columns H “Magnitude” and I “Probability of Occurrence” in the “Safeguards Assessment” tab of the tool, the spreadsheet automatically completes column J “Risk Significance”, as shown in the table below.

Table 1. Risk Significance Matrix

Probability of occurrence Magnitude	Very unlikely	Unlikely	Possible	Probable	Common
Severe	Moderate	Substantial	High	High	High
Large	Low	Moderate	Substantial	Substantial	High
Medium	Low	Moderate	Moderate	Moderate	Substantial
Small	Low	Low	Moderate	Moderate	Moderate

Source: Adapted from IUCN, 2020.

5.2.4 Mitigation Measures

The Project Designer must determine measures to mitigate impacts whose risk of occurrence is classified as “Moderate”, “Substantial” or “High”.

Column K “Necessary Action”, in the “Safeguards Assessment” tab of the tool's spreadsheet, is filled in automatically, and may result in the following responses: “Action Required” and “No action required”, according to the assigned Risk Significance, as follows:

- **No action required:** when the project activity presents low risk;
- **Action required:** when the project activity presents moderate, high, and substantial risk.

When this field results in “Action Required”, the Project Designer must develop and implement risk management measures. The determined measures must be described in column L “Risk Management Measures”, in the “Safeguards Assessment” tab.

5.2.5 Definition of Monitoring Indicators

When the answer to the Guiding Question is **YES**, the Project Designer must present indicators for monitoring.

The FEEC003 spreadsheet – Socio-environmental Safeguards and SDG Tool suggests indicators for the Project Designer to monitor each safeguard. The Project Designer must use the indicators proposed by the tool. If these indicators are not applicable to the specificities of the project, the Project Designer may propose other indicators, provided they are duly justified, and that they are verifiable indicators monitored through consolidated and widely recognized methodologies in the technical-scientific literature.

Proposed indicators must at least meet the following requirements:

- a. **Relevance:** must be directly related to the main risks, impacts, or social and/or environmental benefits of the project;
- b. **Clarity:** must provide an objective description, clearly explaining what will be measured;

- c. Comparability: must indicate how the data will be collected, including source and unit of measurement, in order to allow tracking progress over time and the comparison of results between monitoring cycles;
- d. Accuracy: must be measured following best methodological practices and with sufficient sampling to ensure data representativeness, when applicable.

5.3 Assessment of Alignment with the SDGs

The SDGs are a set of 17 global goals, divided into 169 targets and 245 indicators that guide the monitoring and evaluation of the progress of countries, projects, and other actors in the implementation of the 2030 Agenda. Figure 2 contains the Sustainable Development Goals (SDGs).



Figure 2. Sustainable Development Goals (SDGs)

The measurement of the SDGs is based on the global indicator framework of the United Nations (UN, 2017), which defines standardized targets, concepts and units of measurement, and data sources for each SDG.

In the context of projects submitted to the ECORA Carbon Credit Certification Program, the measurement of the contribution to the SDGs must be carried out by selecting indicators aligned with official references.

For AFOLU projects, the Project Designer must demonstrate that the Project Activities generate positive impacts that contribute to at least three SDGs, including:

- SDG 13 (Climate Action);
- At least one SDG relevant to biodiversity (SDG 14 – Life Below Water and SDG 15 – Life on Land);
- At least one SDG of social relevance (SDG 1 – No Poverty, SDG 2 – Zero Hunger and Sustainable Agriculture, SDG 3 – Good Health and Well-being, SDG 4 – Quality Education, SDG 5 – Gender Equality, SDG 6 – Clean Water and Sanitation, SDG 8 – Decent Work and Economic Growth, SDG

10 – Reduced Inequalities, SDG 11 – Sustainable Cities and Communities, and SDG 16 – Peace, Justice and Strong Institutions).

In AFOLU projects, the contribution to a socially relevant SDG may be replaced by an additional SDG relevant to biodiversity, provided that the Project Designer demonstrates the non-applicability of the socially relevant SDG and the absence of interface or relevant social impacts in the project context. Non-applicability will be accepted when there are no Stakeholders classified in the categories “a. Rights holders and directly affected communities” and “c. Project workers”.

For non-AFOLU projects, the Project Proponent must demonstrate that the Project Activities generate positive impacts that contribute to at least two SDGs, including:

- SDG 13 (Climate Action); and
- At least one additional SDG among those applicable to the project context.

To demonstrate the contribution to the SDGs, the Project Designer must use the “SDG Indicators” tab. In it, official SDG targets and compliance indicators established by the UN are presented. In total, the UN has 169 targets and 245 official SDG compliance indicators. The FEEC003 – Socio-environmental Safeguards and SDG Tool covers 12 SDGs, 40 targets, and 49 official indicators, selected according to their applicability to projects certified by the ECORA Carbon Credit Certification Program.

In column D “Suggested Indicator”, suggestions for monitoring indicators are presented for each selected target. It is reiterated that the Project Designer must use the indicators proposed by the tool. If these indicators are not applicable to the specificities of the project, the Project Designer may propose other indicators, provided they are duly justified, and that they are verifiable indicators monitored through consolidated and widely recognized methodologies in the technical-scientific literature.

The “SDG Indicators” tab contains:

- a. The SDG targets established by the UN (column “SDG Targets”);
- b. The global SDG indicators developed by the UN, applicable at the program level (column “SDG Indicator (UN)”);
- c. Suggestions of indicators applicable at the project level, developed by ECORA aiming for methodological consistency, clarity of definition, and standardization of measurement units (column “Suggested Indicator”).

The Project Designer must select the targets that apply to the context and type of project. In column D “Suggested Indicator”, suggestions for monitoring indicators are presented for each SDG.

Proposed indicators must meet, at minimum, the following requirements:

- a. Relevance: must be directly related to the main risks, impacts, or social and/or environmental benefits of the project;
- b. Clarity: must provide an objective description, clearly explaining what will be measured;
- c. Comparability: must indicate how the data will be collected, including source and unit of measurement, in order to allow tracking progress over time and comparing results between monitoring cycles;
- d. Accuracy: must be measured following best methodological practices and with sufficient sampling to ensure data representativeness, when applicable

The Project Designer must define the SDGs to which the project will contribute before Project validation, describe them in the PDD, and demonstrate their achievement in each monitoring period through auditable evidence presented in the MR. Changes may be made throughout the Project Crediting Period, provided they are duly justified and documented in the MR.

5.4 Continuous Monitoring

The indicators must be continuously monitored throughout the entire Project Crediting Period, according to the monitoring frequency established by the Project Designer for each indicator. The results of this monitoring must be consolidated and presented in each verification period, in the Project Monitoring Report.

In the context of indicator monitoring, the use of primary evidence must be mandatory, ensuring greater robustness, reliability, and traceability of the reported information. The data must be collected and analyzed based on methodologies recognized in the literature, applicable standards, and established practices.

In each new verification, the Project Designer must answer again the guiding questions of the FEEC003 – Socio-environmental Safeguards and SDG Tool, in order to assess the permanence of previously identified conditions and verify whether the project implementation resulted in the generation of new socio-environmental impacts.

The Socio-environmental Diagnosis must be updated in full or in part in each monitoring period, so that the socio-environmental information remains representative of the current conditions of the Project Area and suitable to support the continuous application of the tool. The decision regarding the need for full or partial update must be made by the Project Designer, based on the changes observed in the Project Area during the period, and at a minimum, elements that have undergone changes or that may impact the project's safeguards and indicators must be updated.

The Project Designer must provide Stakeholders with a summary of the monitoring results in non-technical, accessible, and culturally appropriate language. Additionally, the feedback received, as well as responses and any reparations, must be duly addressed, recorded, and made available by the Project Designer in the Monitoring Report, respecting the confidentiality of Stakeholders, as defined in Section 5.19 of the Standard.

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