



Ibirapuera Park, City of São Paulo

Business Climate Survey Brazil 2025

São Paulo, Brazil
May 2025

TEAM
SWEDEN
BRAZIL



Background

- Swedish companies have been present in Brazil for more than a hundred years. Even though Brazil can be a challenging market, new Swedish companies keep on setting up operations in the country while long-established corporations continue to invest. Swedish companies employ ~50 000 people domestically, being active in sectors such as mining, transport, machinery, defense, healthcare, telecom, services and more.
- This year's report is the sixth edition within the global collaboration between Business Sweden and the Swedish Chambers International (SCI). A collaboration that now facilitates for a global comparison of 40 markets from all continents, this in addition to the local market results.
- The objective of these reports is to provide a better understanding and good insights on how the current business climate and market development around the world is perceived by leading Swedish companies. The reports also serve as a comparison tool for Swedish companies with plans to further invest in their current business or expand into new markets.
- This year, the Business Climate Survey in Brazil collected answers from 48 Swedish companies, across various sizes and industries, which is comparable to the number of responses collected in previous years.
- The survey was performed between the 11th of February and the 11th of March.
- Team Sweden in Brazil, consisting of the Embassy of Sweden, Business Sweden and Swedcham, works to promote Sweden, the Swedish industry and Swedish economic interests in Brazil. The commitment and close cooperation between the Team Sweden partners help to better position and grow Swedish businesses and interests in Brazil through various activities and programs, out of which the annual Business Climate Survey is one example of a joint activity.

Key Takeaways: Brazil Business Climate Survey 2025



81% of Swedish companies in Brazil were profitable during 2024 while only 11% presented losses, continuing the general profitability trend observed in past years.



Due to higher inflation and lower GDP forecast, less companies expect to grow revenue compared to 2024, and less than half will increase investments.



For 57% of respondents, the Brazilian business climate is perceived as regular. For 30% it is perceived as rather positive, while for 13% it is actually perceived as negative.



Fewer companies encountered trade barriers compared to 2024. Meanwhile, the majority agrees that they need to start prepare for the EU-Mercosur free trade agreement, although they will only start in a few years.



Sustainability investments helped to propel sales of products and services for 29% of Swedish companies.

Cost sensitivity from Brazilian customers and a lack of local incentives represent challenges to the “green transition” in Brazil.

Business Climate Survey Brazil 2025

- Swedish Business in Brazil
- Brazil Business Climate
- Challenges and How Swedish Companies Succeed in Brazil
- Acting Sustainably

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Key Takeaways: Swedish Business in Brazil



48 Swedish companies of different sizes and business areas took part in the 2025 Brazil Business Climate Survey



80% of respondents are medium or large companies with more than 1 000 employees globally



54% of respondents are industrial manufacturers, and the remaining is composed by companies within consumer goods and professional services

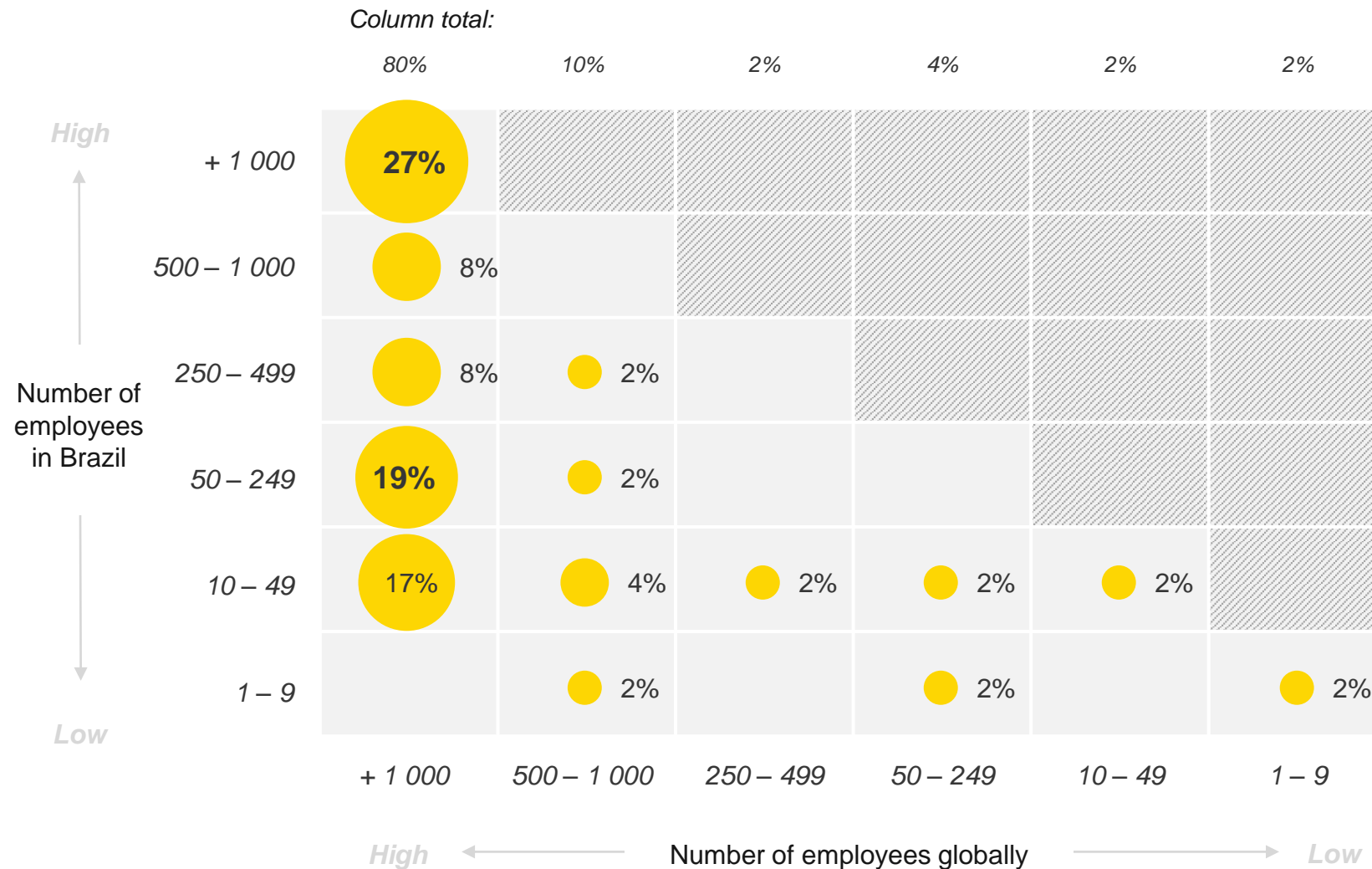


48% of respondents are experienced in the Brazilian market, having presence for more than 20 years



Size: Once again, large global companies were the main respondents, representing 80% of all surveyed companies in Brazil

Question 1: Please estimate: (a.) the global and (b.) the local number of full-time employees in your company in 2025.



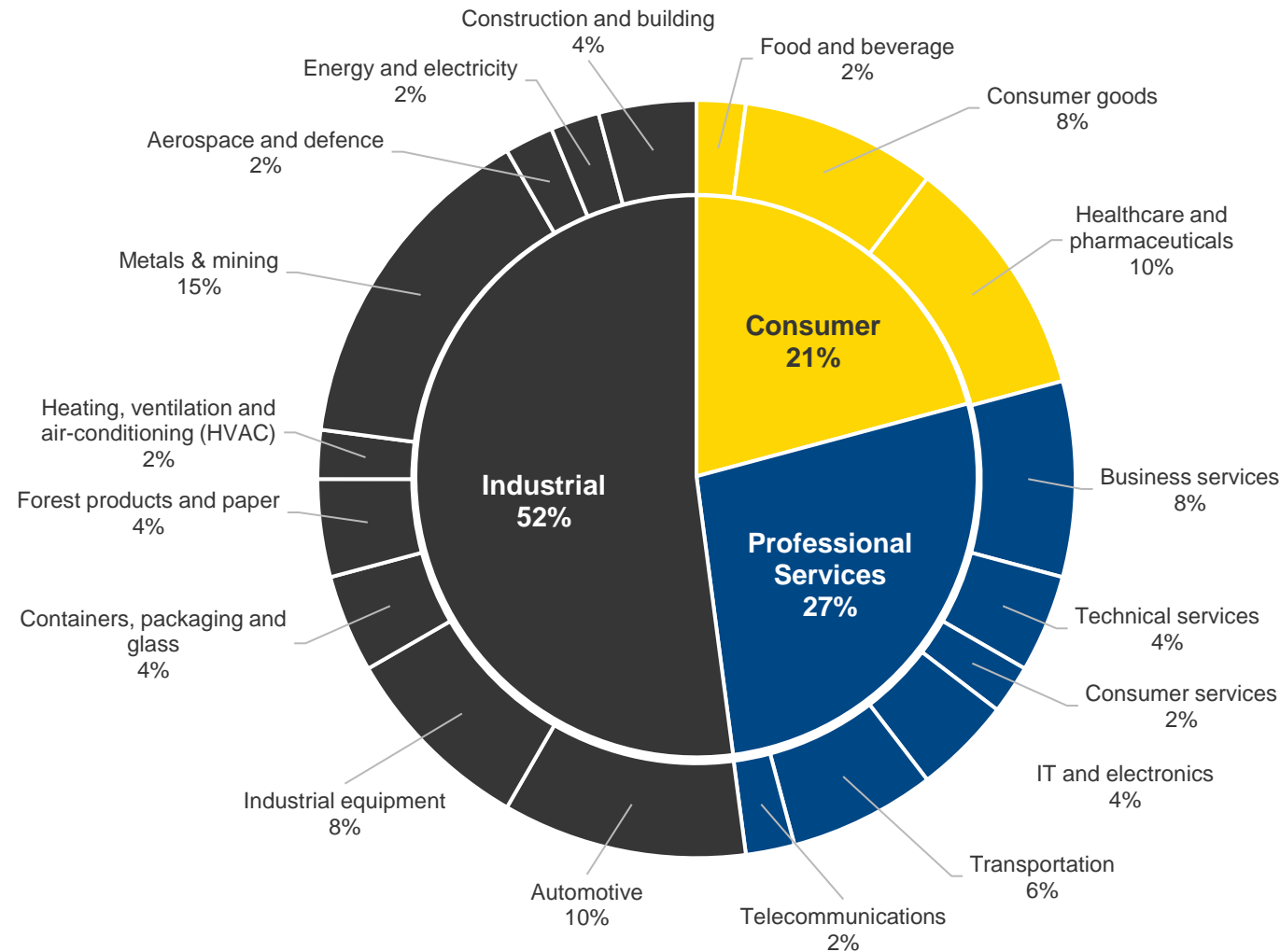
- 80% of the Swedish companies participating in this survey have more than 1 000 employees globally.
- 35% of respondents have 500 or more employees in Brazil, including industrial companies and providers of specialized services.
- 2 respondents have, at the same time, less than 50 employees globally and in Brazil.

Note: responses Don't know/Not applicable were excluded from this analysis. Based on responses by 48 companies.



Half of respondents are composed by industrial companies, while the other half is composed by B2C and service providers

Question 2: What is your company's main industry in Brazil?

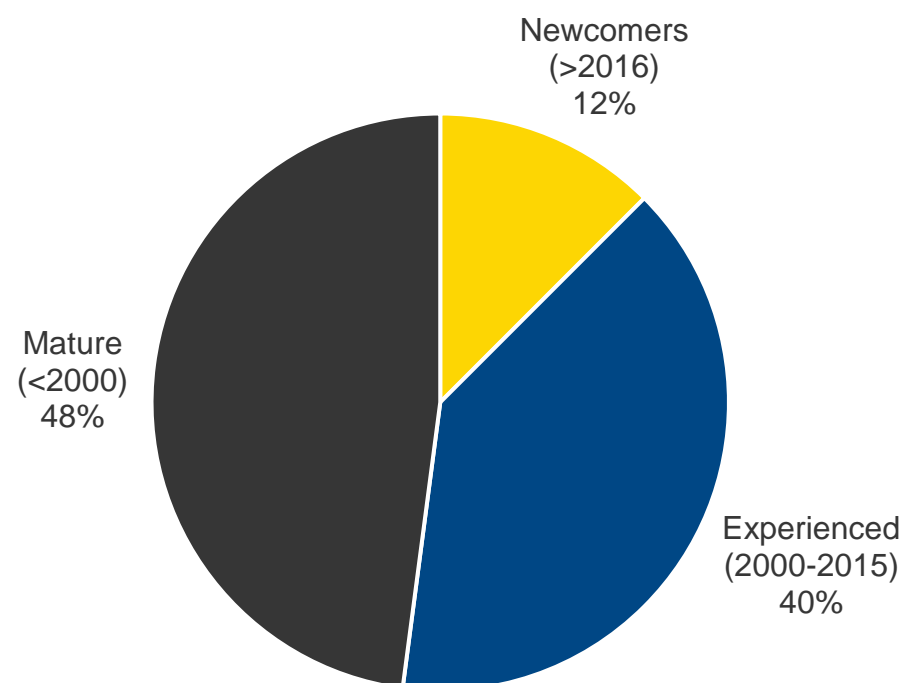


- 52% of the respondents belong to pure industrial segments, composing the core of Swedish business in Brazil. Relevant segments are automotive, metals & mining and industrial equipment.
- Swedish service providers have become more relevant in the 21st century, with focus on business services and tech companies. Healthcare and consumer goods companies also represent an important share of Swedish business in Brazil.
- Overall, the Swedish business footprint in Brazil is very diverse, with at least 150 established companies, located mainly in the states of São Paulo and Paraná.

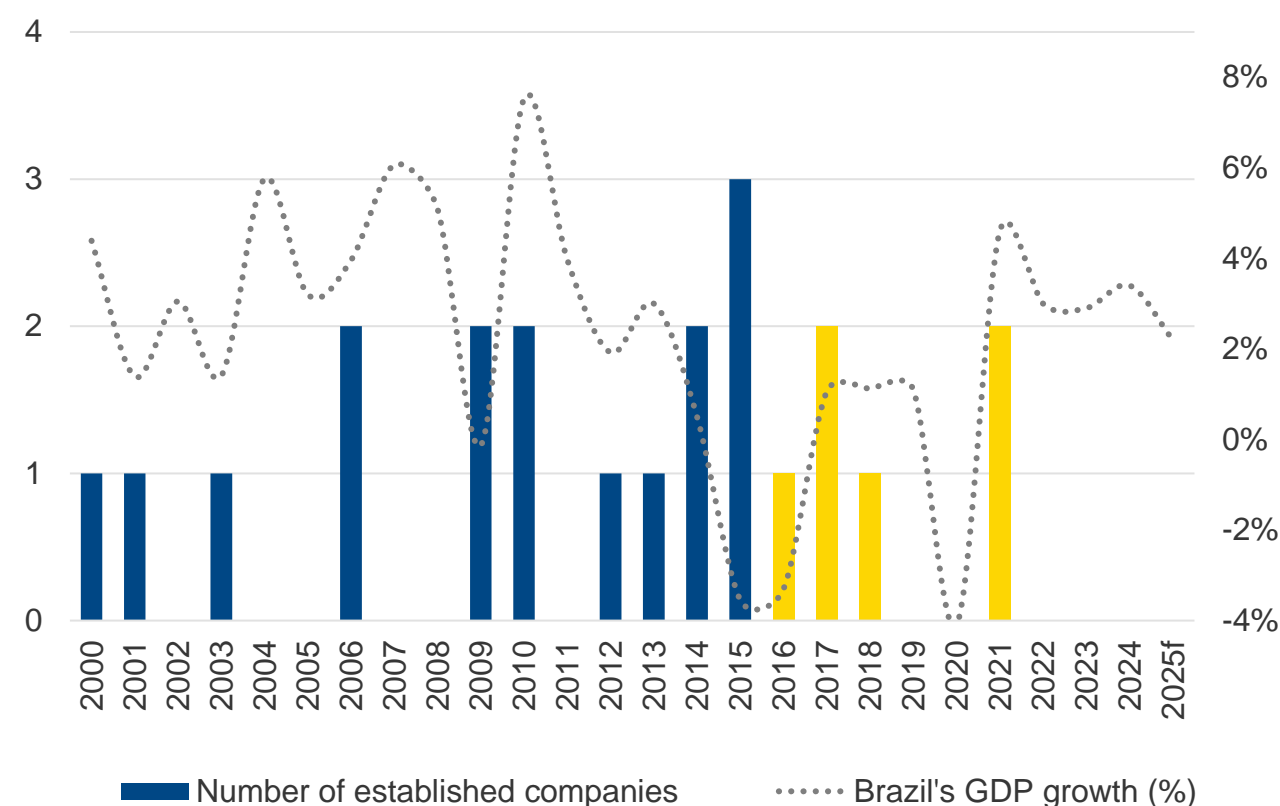
Note: Other/Not Applicable answers were reclassified to the companies' closest business areas for the analysis of this question.

Age: Nearly half of the survey's respondents have been present in Brazil for more than 20 years; only 6 respondents got established during 2016 or after

Question 3: In what year did your company establish operations in Brazil?



Swedish companies established after 2000 and GDP growth*

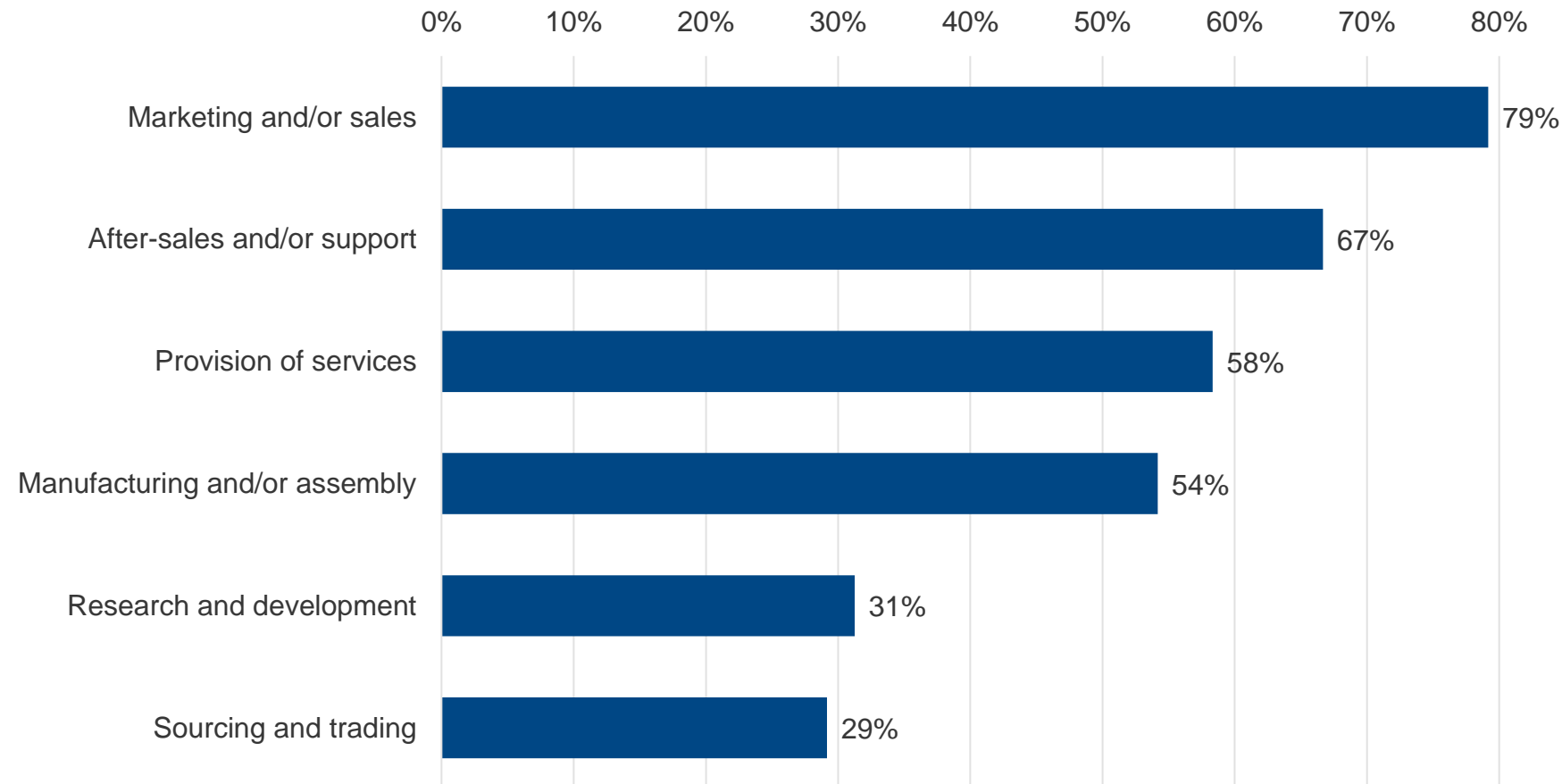


* Note: regarding 2024 respondents only (excludes Don't know/Not applicable answers). Brazil 2024 GDP growth forecast by IMF (2.2%).



Almost a third of surveyed companies conduct R&D in Brazil

Question 4: What operations do you carry out in Brazil?



- This year's results for this question are aligned with responses in previous years. The most relevant change was R&D surpassing Sourcing as a focus operations carried out in Brazil.
- 54% of respondents have manufacturing or assembly operations in Brazil, while 31% perform R&D activities. That may indicate that a high share of manufacturers are also conducting research in Brazil.
- Two thirds of respondents are dedicated to after-sales and support, proving the importance of such strategy for Swedish companies in the Brazilian market.

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Key Takeaways: Brazil Business Climate



Most Swedish companies were profitable in 2024; 80% presented profits while 11% presented losses



In general, companies are perceiving a rather regular business climate in Brazil, while 30% are more positive and 13% are more negative



Expectations on revenue growth are still high (69% of respondents), but plans for new investments dropped from 59% in 2024 to 45% this year

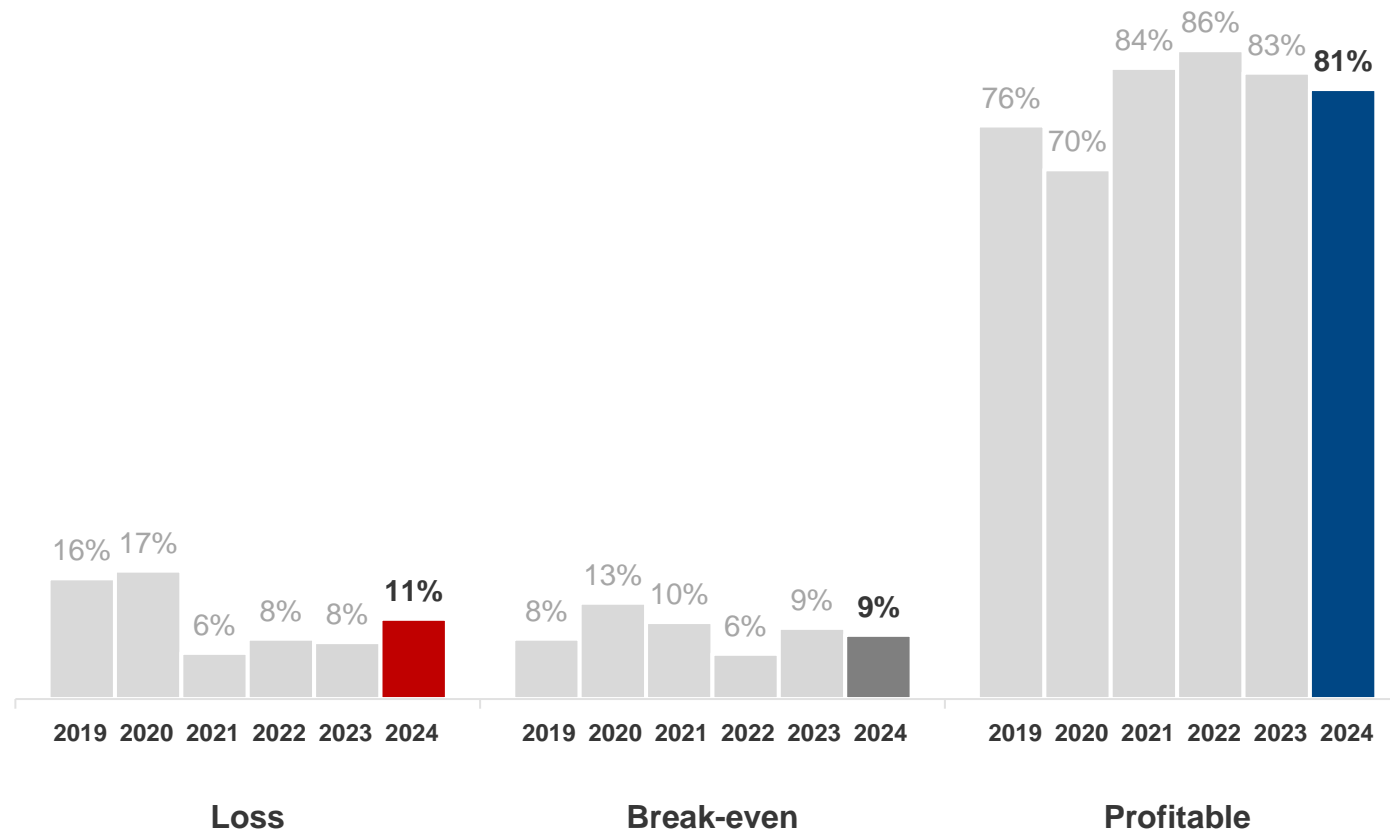


After a 3.7% GDP growth in 2024, Brazil's growth for 2025 and 2026 is forecasted at around 2%, threatened by inflation



In majority, Swedish companies continue to be profitable in Brazil

Question 5: How would you describe your company's financial performance in Brazil in 2024?

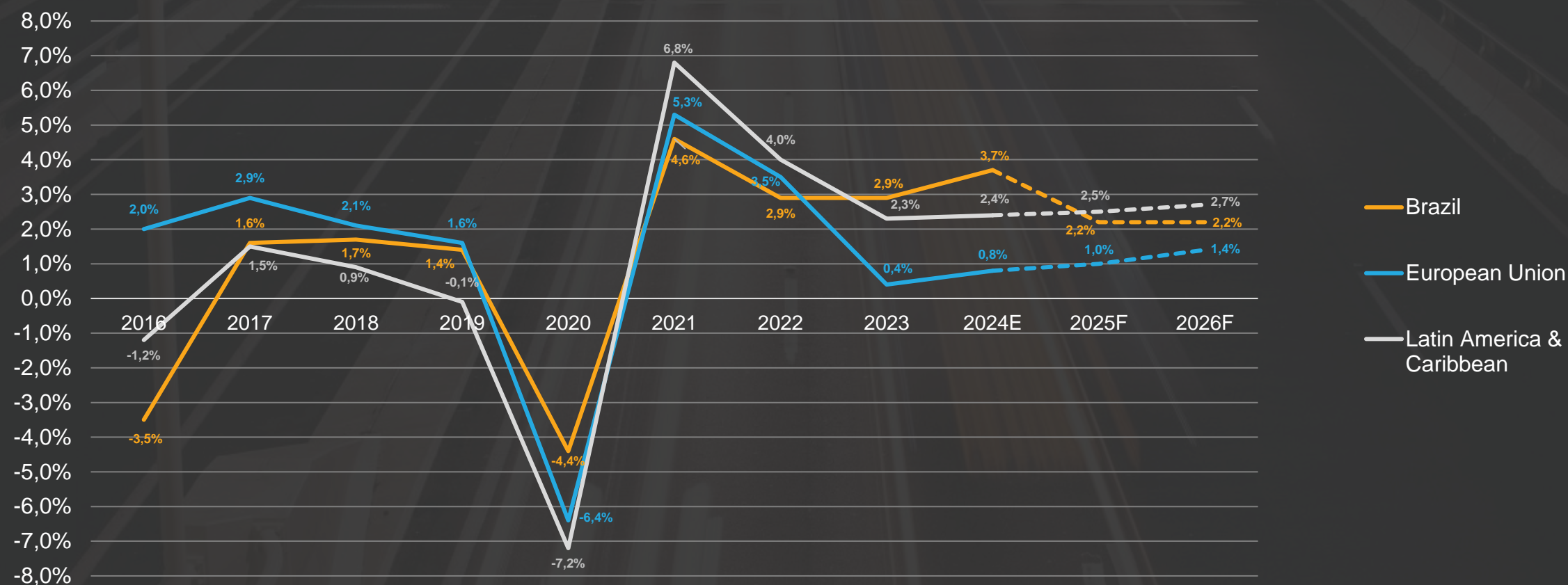


- 81% of companies stated that they were profitable during 2024, while only 11% presented losses. This year's results are according to results from previous assessments.
- Once again, larger industrial companies present in the country for a longer time tended to present better results. Smaller and newer companies in the market presented mixed results.
- Inflation pressures in Brazil and the global tariff war led by the United States may impact the companies' results going forward.

Note: Don't know/Not Applicable answers were excluded in the analysis of this question.

Brazil's expected GDP growth in 2025 was reduced to 2.2% due to inflation pressures, but that is still higher than the forecast for the European Union

GDP GROWTH (%) AND FORECAST, BRAZIL AND SELECTED REGIONS

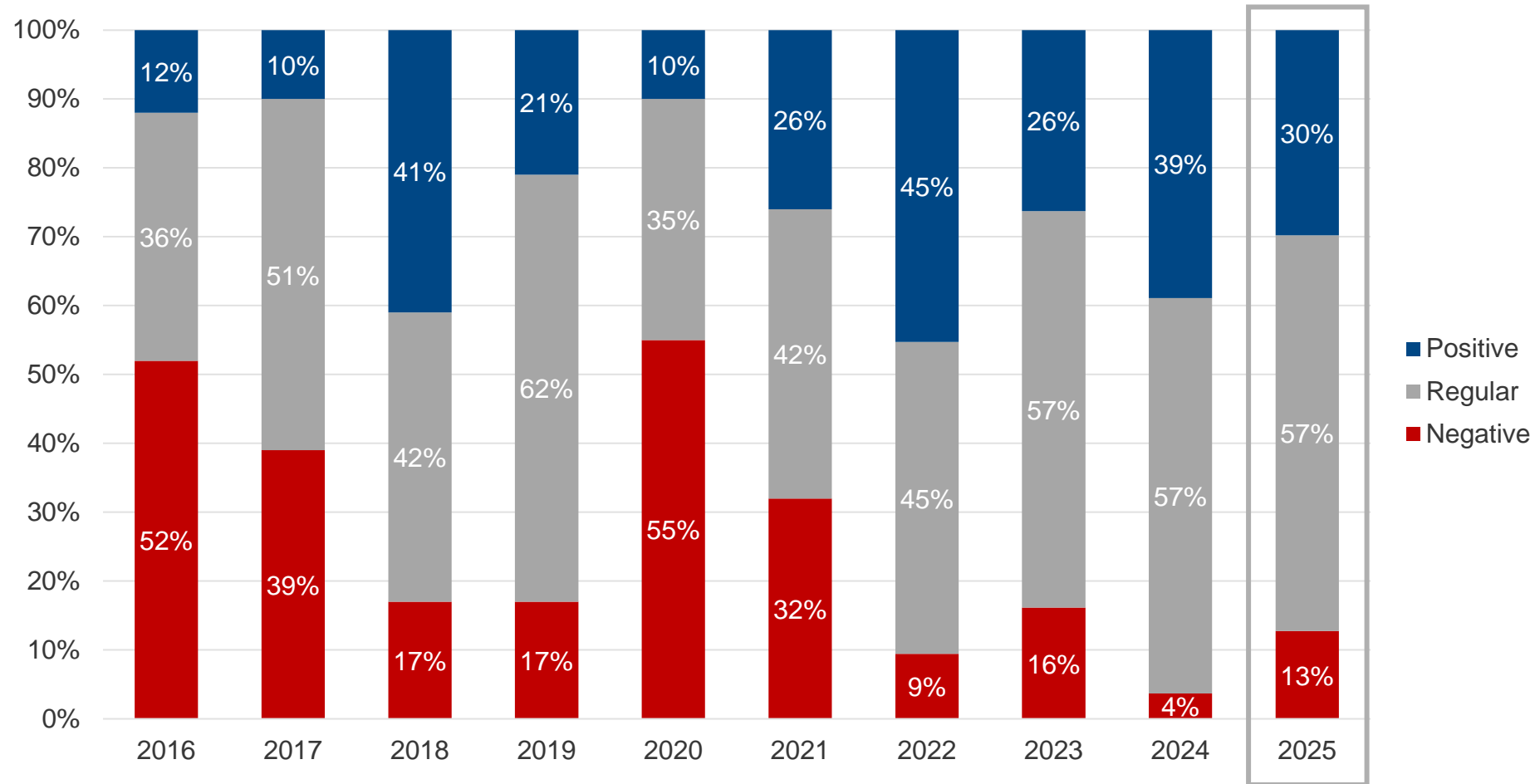


Source: IMF Economic Outlook April 2025.



30% of companies have a positive outlook for Brazil, but the majority see a lukewarm business climate

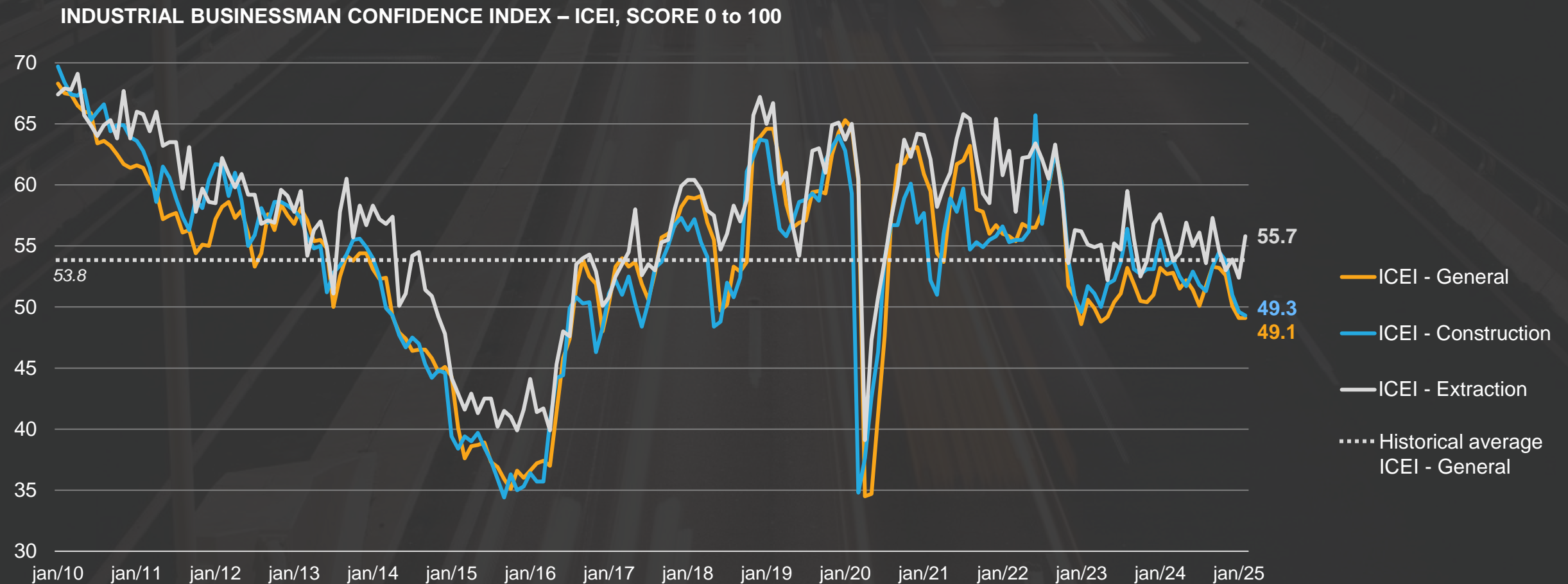
Question 6: How do you perceive the current business climate in Brazil?



- 30% of Swedish companies feel positive about the business scenario in Brazil, which represents a 9% decrease compared to 2024. Yet, the respondents perceiving a more negative scenario for business remain a few, representing only 13%.
- This year's result is similar to the results back in 2023, when the majority of respondents perceived a rather regular business climate.
- Interestingly, once again no company attributed the best score nor the worst score to Brazil, on a scale of one to five.
- Small and newer companies in the market were the most positive about the business climate.
- Question 7 tried to explore the reasons behind these business climate perceptions.

Note: Don't know/Not Applicable answers were excluded in the analysis of this question.

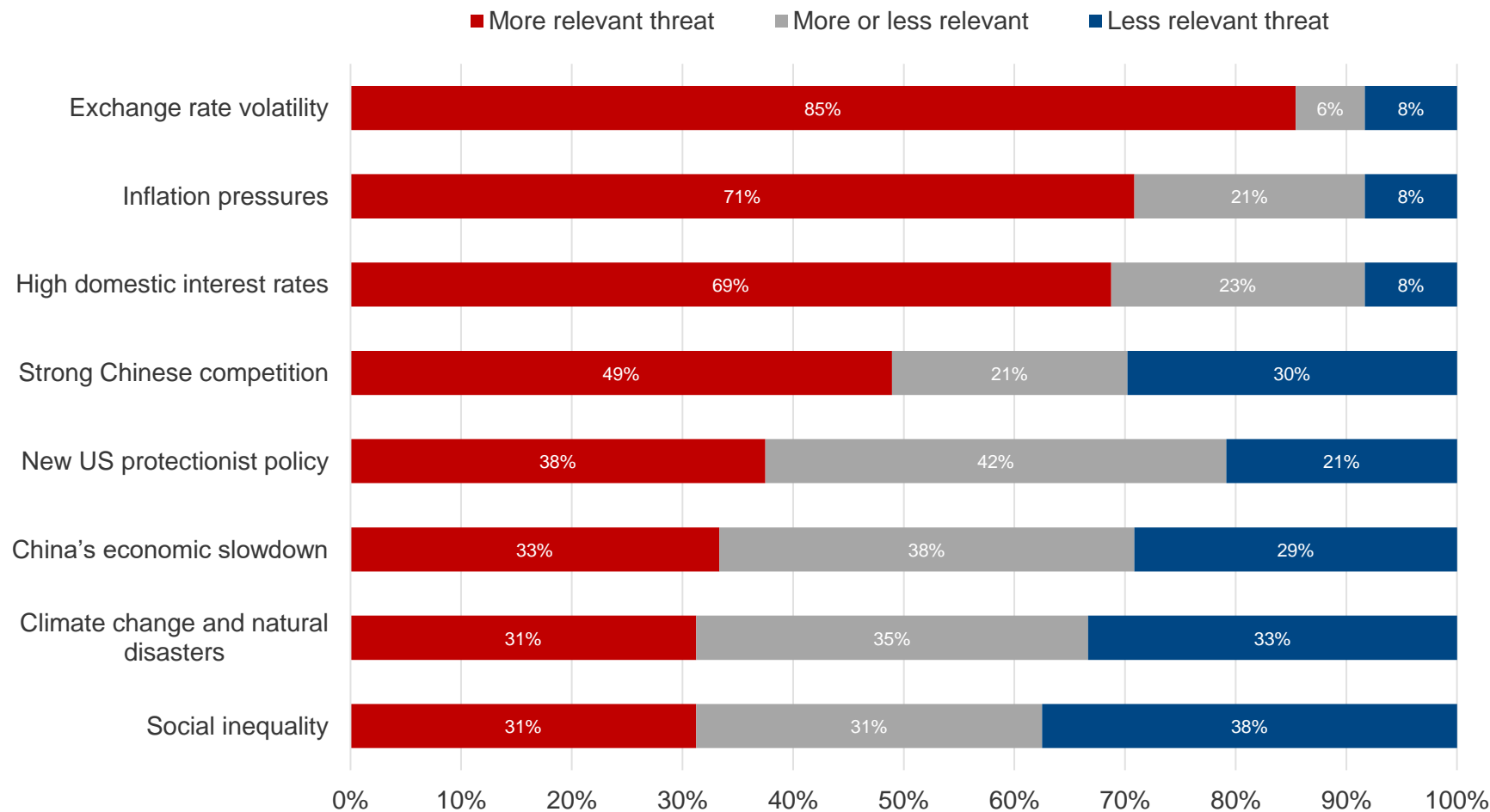
The confidence of Brazilian companies also decreased except for the extraction sector, composed by mining and oil companies





Swedish companies are concerned about how the domestic macroeconomic conditions in Brazil will affect business growth

Question 7: How do you see the following factors as threats to business growth in Brazil in the short term?



- **Note:** the survey was conducted between February and March before the application of new tariffs by US President Trump in April.
- The devaluation of the Brazilian currency has a direct impact over the acquisition power of Brazilian importers. This affects Brazilian customers of Swedish exports as well as Swedish manufacturers in Brazil which operate within global supply chains.
- Most companies are concerned about the rise of inflation and its direct impact on the SELIC rate definition by the Brazilian Central Bank, limiting economic growth in the short term. As of May, IPCA expectations for 2025 reach 5.6%, while SELIC should be raised to 15%.
- At the time of survey, 38% saw threats related to the new American foreign trade policy. Since then, part of the globe became more concerned with its effects, while some sectors of the Brazilian economy identified opportunities of export substitution. Another potential effect is the strengthening of Chinese competition in many markets, including Brazil – a threat already identified by 49% of respondents of this survey.

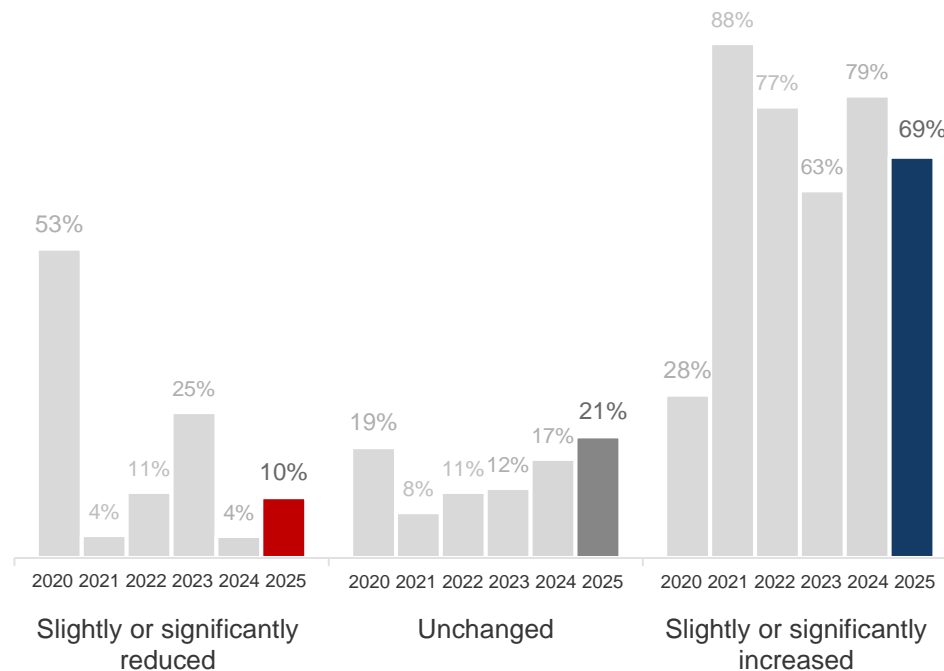
Note: responses Don't know/Not applicable were excluded from this analysis.

69% of respondents expect to grow during the next 12 months but less companies will increase investments, the lowest level since 2020

Turnover expected for the next 12 months

Question 8:

Compared to the development in the past 12 months, what are your expectations for the coming 12 months for your industry in Brazil regarding turnover?

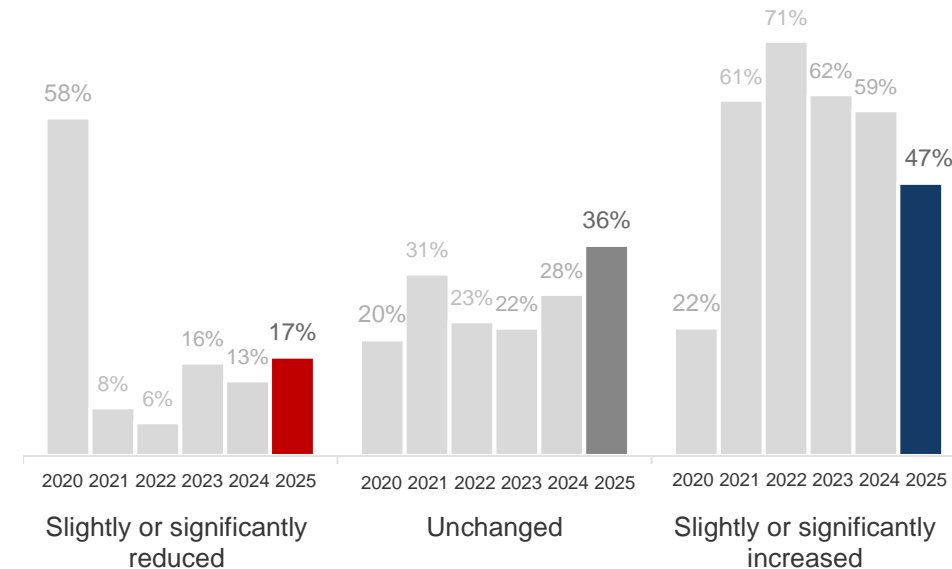


- Consumer goods companies and smaller companies are all more optimistic about sales growth in the next 12 months.

Investments expected for the next 12 months

Question 9:

What are your company's investment plans for the coming 12 months in Brazil, compared to the past 12 months? Investments will be...



- Some large companies as well as newcomers plan to reduce investments in the next months.

In 2024, Brazil became the 7th largest global economy in PPP terms

2024 LARGEST GLOBAL ECONOMIES, *bUSD current*

Rank	Country	GDP	Annual growth
= 1	United States	29 185	+2.8%
= 2	China	18 748	+5.0%
= 3	Germany	4 659	-0.2%
= 4	Japan	4 026	+0.1%
= 5	India	3 909	+6.5%
= 6	United Kingdom	3 644	+1.1%
= 7	France	3 162	+1.1%
= 8	Italy	2 372	+0.7%
▲ 9	Canada	2 241	+1.5%
▼ 10	Brazil	2 171	+3.4%
= 11	Russia	2 161	+4.1%
▲ 12	South Korea	1 869	+2.0%
▼ 13	Mexico	1 852	+1.5%
▲ 24	...Sweden	610	+1.0%

Number of countries in the rank: 196

2024 LARGEST GLOBAL ECONOMIES, *bUSD PPP**

Rank	Country	GDP PPP
= 1	China	38 154
= 2	United States	29 184
= 3	India	16 187
▲ 4	Russia	6 905
▼ 5	Japan	6 530
▼ 6	Germany	6 005
▲ 7	Brazil	4 735
▼ 8	Indonesia	4 662
▲ 9	France	4 359
▼ 10	United Kingdom	4 287
▲ 11	Italy	3 607
▼ 12	Türkiye	3 464
▼ 13	Mexico	3 317
▲ 39	...Sweden	765

Number of countries in the rank: 196

2024 LARGEST FDI DESTINATIONS, *mUSD current*

Rank	Country	FDI inflow	CAGR 2019-2023
= 1	United States	307 904	6.7%
▲ 2	Luxembourg	105 905	N/A
= 3	Canada	64 065	37.6%
▼ 4	Brazil	59 178	-7.6%
▲ 5	Australia	55 150	68.7%
▲ 6	France	37 737	-10.8%
▲ 7	Mexico	36 872	1.1%
▼ 8	Spain	28 565	-33.8%
▲ 9	India	27 610	-1.7%
▲ 10	Italy	24 707	-24.3%
▲ 11	Indonesia	24 212	12.6%
▼ 12	China	18 556	-63.9%
▼ 13	Sweden	18 287	-26.8%
▲ 14	Israel	16 809	4.2%

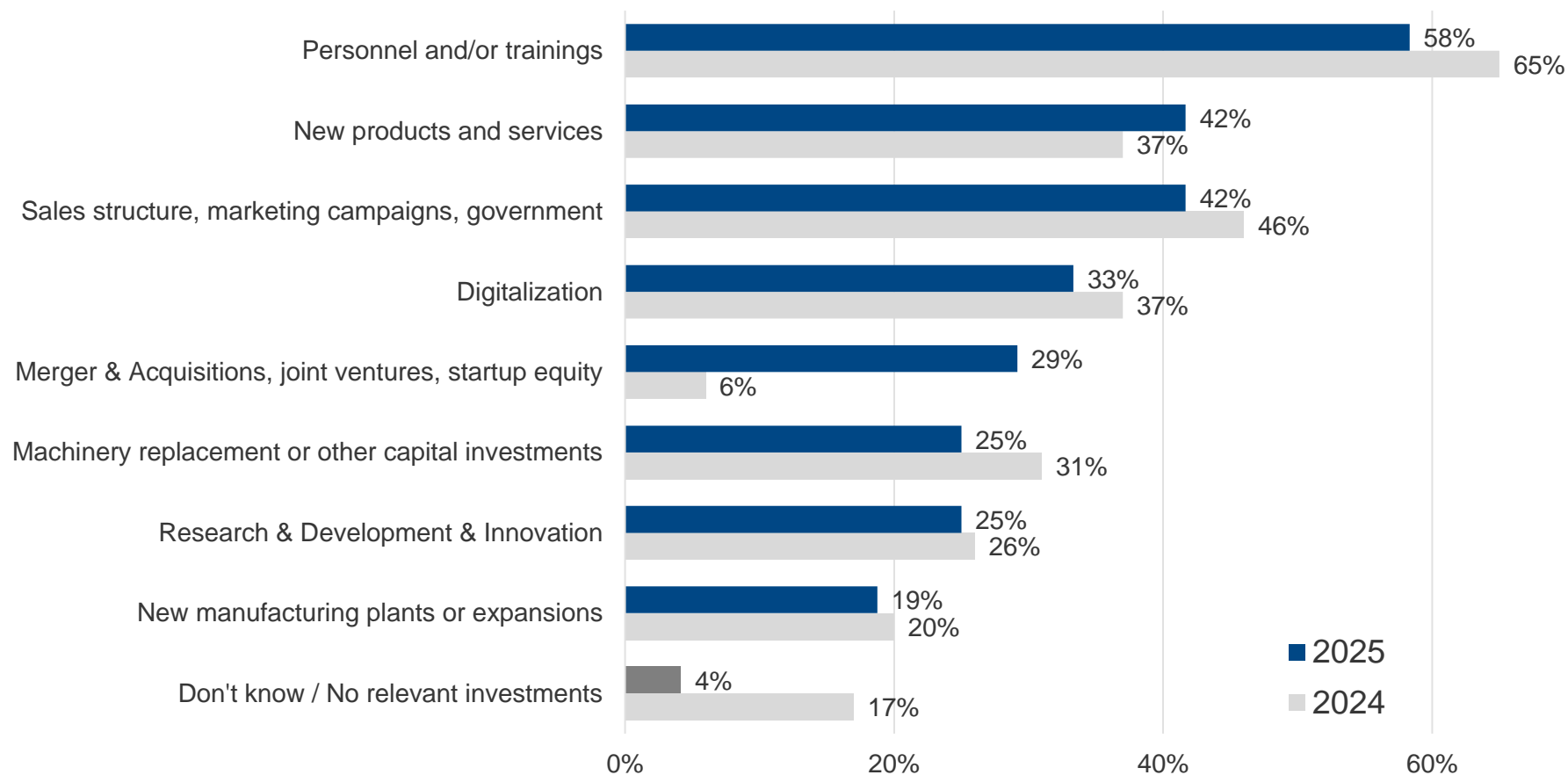
Number of countries in the rank: 47

Source: IMF (GDP), OECD (FDI) . Note: PPP – Purchasing Power Parity, discounts the effect of currency value.



Opposed to last year, more companies will seek to grow inorganically in Brazil through M&As and equity in startups

Question 10: If your company will increase investments in Brazil in the next months, where will it be investing locally?



- As already indicated already in Question 9, investments will be reduced in nearly all areas by Swedish companies in Brazil.
- The order of investment priorities is very similar with the ones verified in previous BCS, with focus on personnel, sales operations and the development of new products and services.
- The most notable change is the increase of 23 percentual points in regard to investments in M&As, joint ventures and startup equity. In fact, between April 2024 and April 2025, the Brazilian currency devaluated 13.7% against the dollar, from 4.99 USD/BRL to 5.78. Companies may be planning to acquire Brazilian assets, as cheaper now.

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Key Takeaways: Challenges and How Swedish Companies Succeed in Brazil



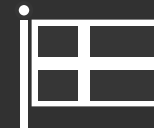
Brazil presents a wide range of customers and local partners to Swedish companies, but reforms and investments are needed



64% of companies believe that they should prepare in order to capture opportunities created from the EU-Mercosur free trade agreement



The main strategies to maintain competitiveness in Brazil include being cost efficient and developing solutions that are according to local conditions

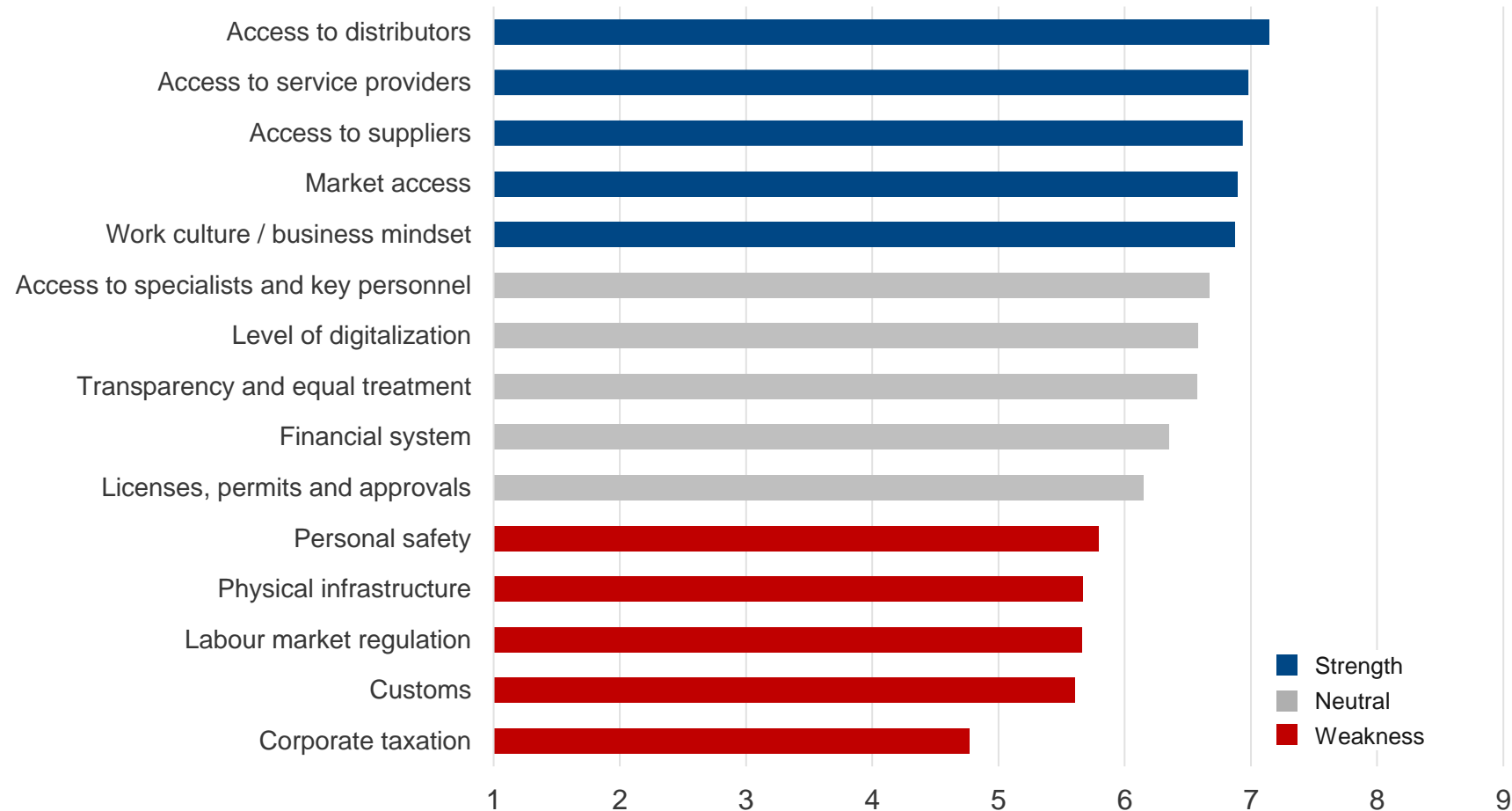


96% declared that they benefit from being marketed as a Swedish company in Brazil, at least partially



Results indicate that Brazil has a vibrant business scenario, but market conditions need to improve

Question 11: Please rate from 1-9 how the below conditions meet the needs of your company's business in Brazil.

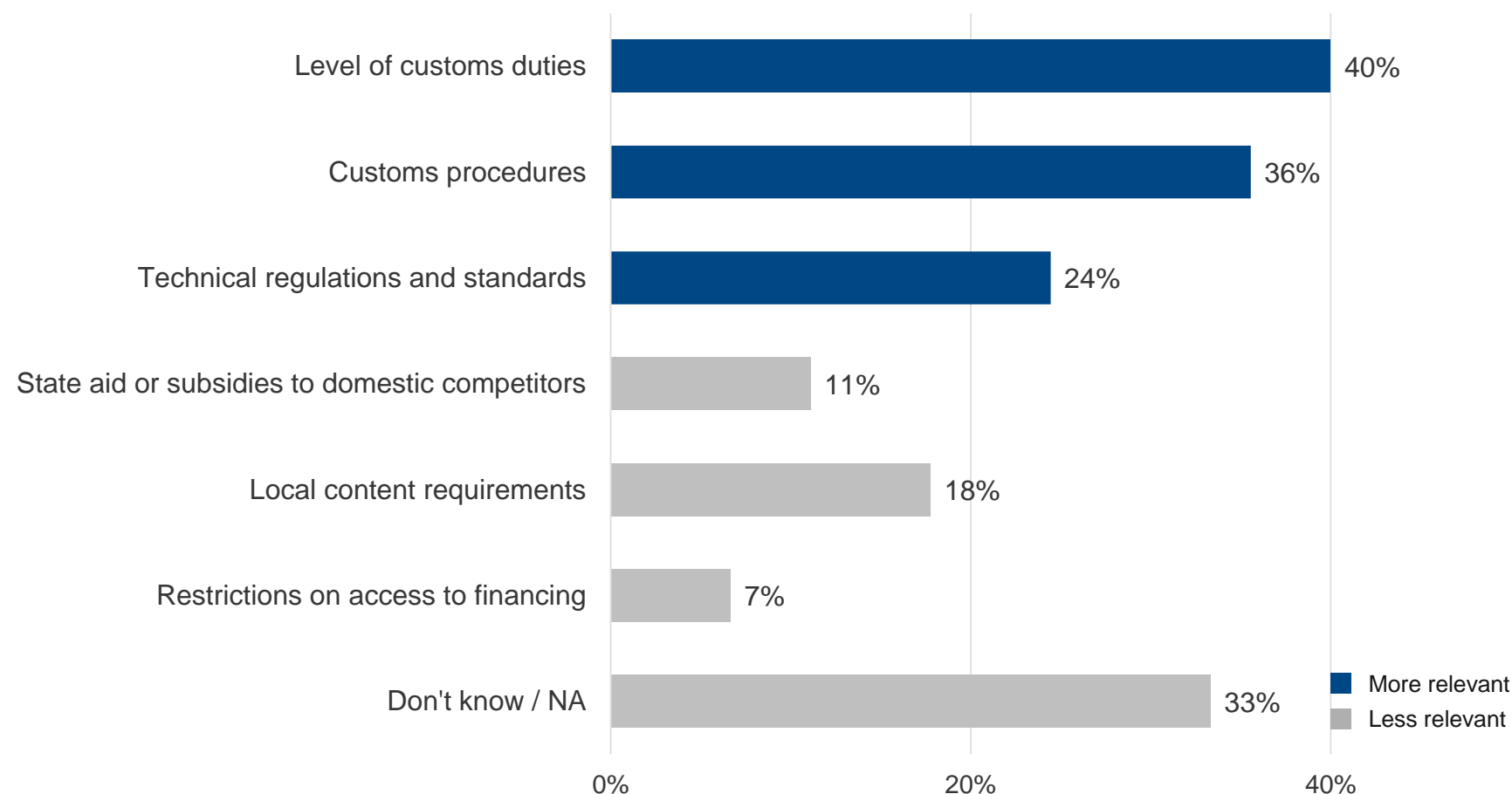


- **“Access”** categories represent the best conditions of the business scenario in Brazil, obtaining similar scores. These include access to distributors, suppliers, service providers and the market in general.
- **“Market”** conditions, which include financial system, transparency and digitalization, once again got intermediary scores between 6 and 7.
- **“Operations”** conditions in general present the worst scoring since the beginning of the Business Climate Survey. These include taxes, bureaucracy, infrastructure and personal safety. Corporate taxation received the lowest score, the only one below 5.
- These results hint to a scenario which presents concrete business opportunities, given the potential of access to many market players, while it is still in need of tax and bureaucratic reforms, besides intense investments in infrastructure and security.
- This year's results were slightly worse than those of 2024, corroborating with the deterioration of the business climate evaluation. In average, scores dropped 0.2 point.
- Corporate taxation, licenses & permits and the financial system had the most intensive score decreases (-0.5 point). Access to distributors was the only category which had a score increase (0.1 point)

Note: responses Don't know/Not applicable were excluded from this analysis.

During a year threatened by protectionism, 40% of respondents encountered customs barriers against 54% in 2024

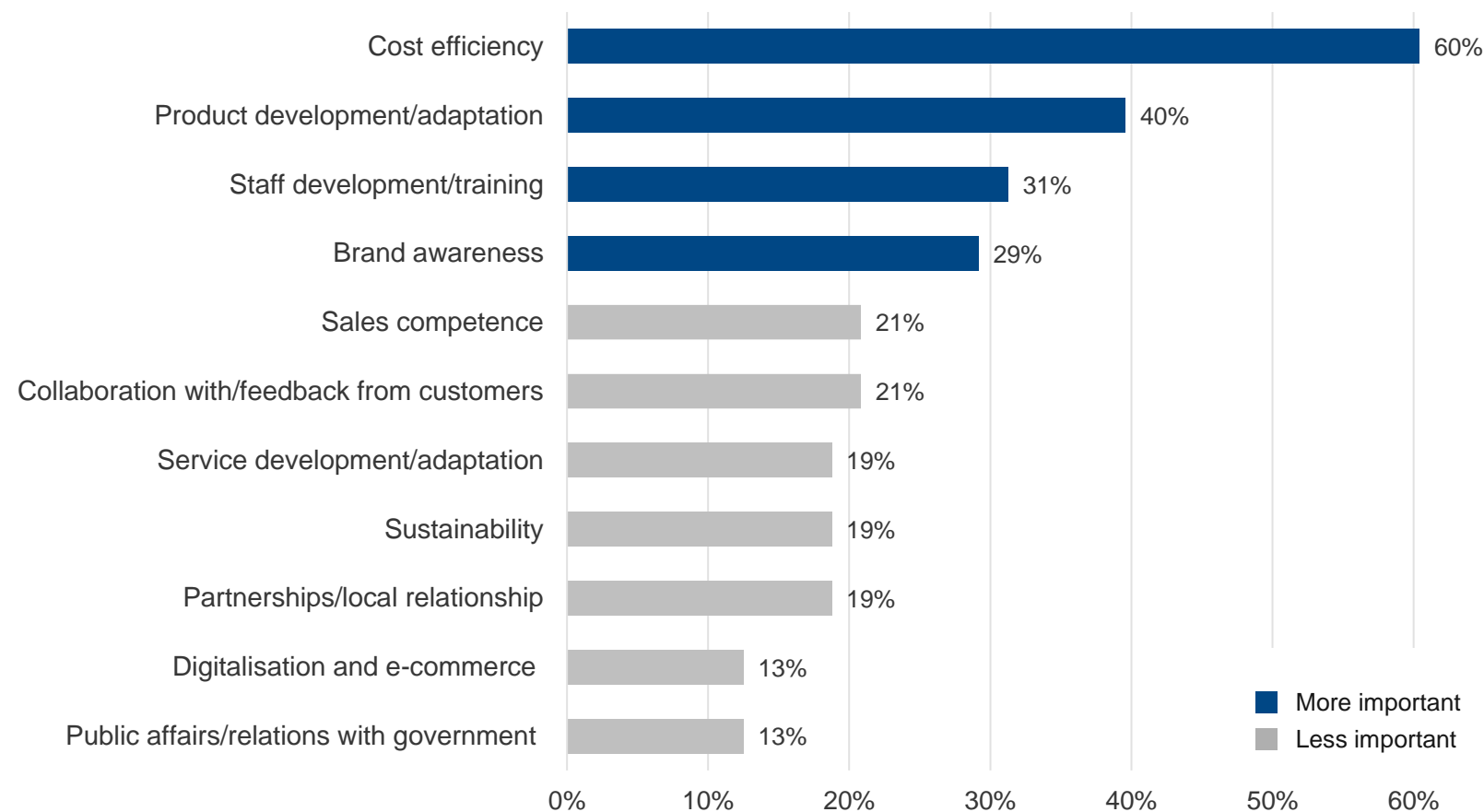
Question 12: Has your company in the past year encountered trade barriers in Brazil with a noticeably negative impact on operations, in any of the following areas?



- In this year's assessment, the number of companies encountering trade barriers in Brazil decreased in all areas with the exception of local content requirements, which grew 7%, and restrictions on financing, which remained at 7%.
- Customs duties and customs procedures are still at the top of the list as the main trade barriers in Brazil, although dropping 14 p.p. and 16 p.p. respectively this year. This may reflect a slightly easier year for imports in Brazil.
- Due to the new tariff war threats headed by the United States, Brazil passed in April a law authorizing tariff retaliation as a protective measure. This may impact trade relations with other countries in the future, making trade agreements even more necessary.
- Companies answering that they don't know or have not encountered trade barriers in Brazil in the past year represent a third now.

Cost efficiency and local product development are the key strategies for maintaining competitiveness in Brazil

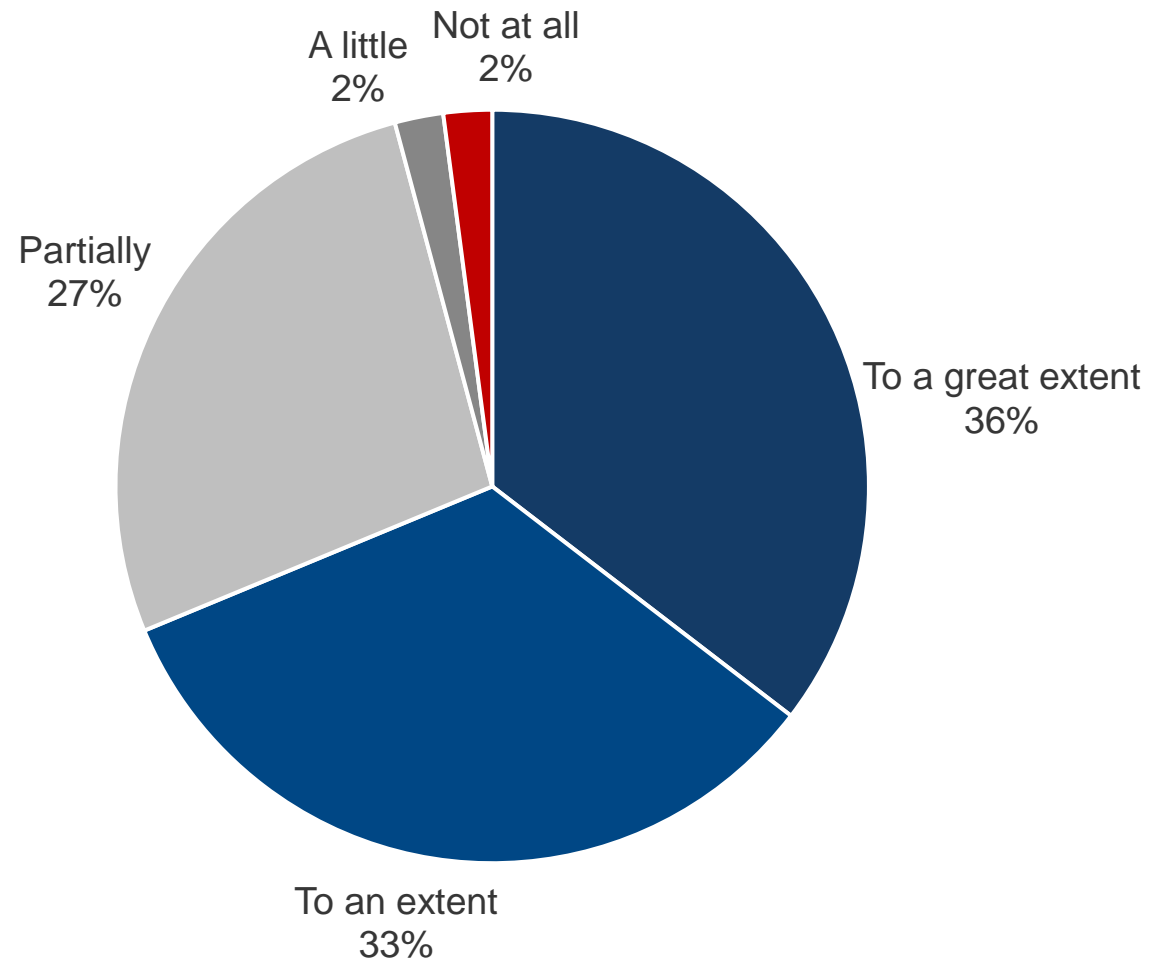
Question 13: To date, which of the following areas have been important in maintaining competitiveness in Brazil?



- Cost efficiency is a major competitiveness factor for 60% of Swedish companies. In fact, Brazil is perceived by respondents as a price sensitive market as indicated in Question 16, so cost efficiency seems key as it has a direct impact on final product prices.
- Local product development and/or adaptation is important for 40%, proving that a “tropicalization” of portfolio is a good strategy to gain market in Brazil. Also, more companies seem to be conducting R&D activities, according to Question 4.
- Sales competence continues to drop positions, going from 48% in 2023 to 21% this year. Still, this does not seem to have impacted growth or profitability of Swedish companies, as seen in previous questions.
- Despite sustainability being important for sales to Brazilian clients for around 30% of respondents (Questions 19 and 21), it is relevant for maintaining competitiveness for only 19%.
- Once again, digitalization and public affairs appear in the bottom of the list as less relevant factors for competitiveness.

69% of the subsidiaries in Brazil claim that they benefit from a Swedish branding to an extent or great extent

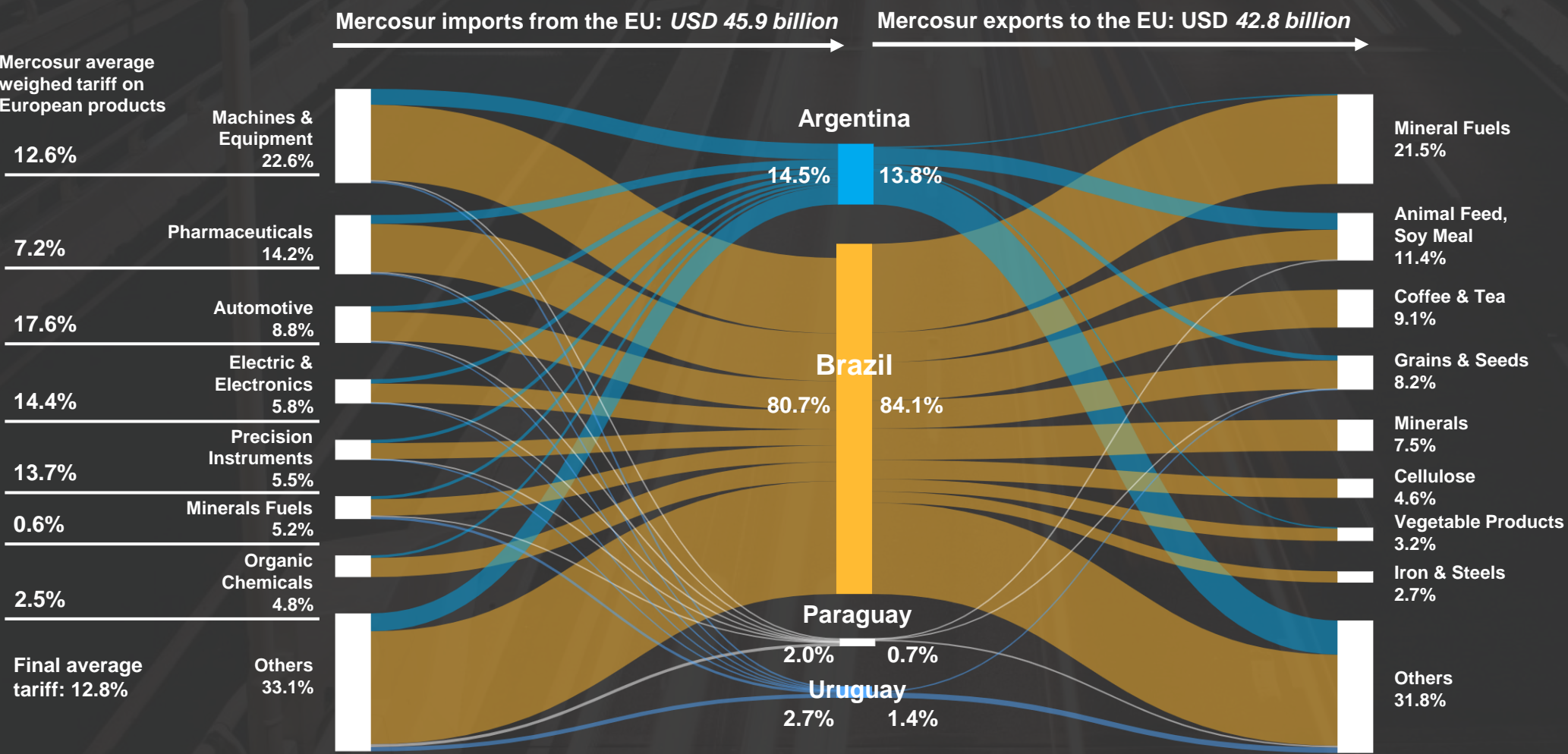
Question 14: To what extent would you estimate that the "Swedish brand" contributes to your business in Brazil?



- For two thirds of respondents, being identified as a Swedish brand contributes to business in Brazil.
- 27% of respondents answered that the Swedish brand supports with marketing in Brazil only partially. This result is similar to the one of 2024, but high compared to levels identified in 2023 and prior.
- For the first time in the series, one company replied that being identified as Swedish does not help with business in Brazil at all.
- Surprisingly, B2C companies answered that a Swedish branding is positive only partially or to an extent, but not to a great extent in Brazil.

With the elimination of tariffs from an EU-Mercosur free trade agreement, European exports to the region can become USD 5.9 billion cheaper

2024 EU-MERCOSUR TRADE OF GOODS AND MERCOSUR TARIFFS



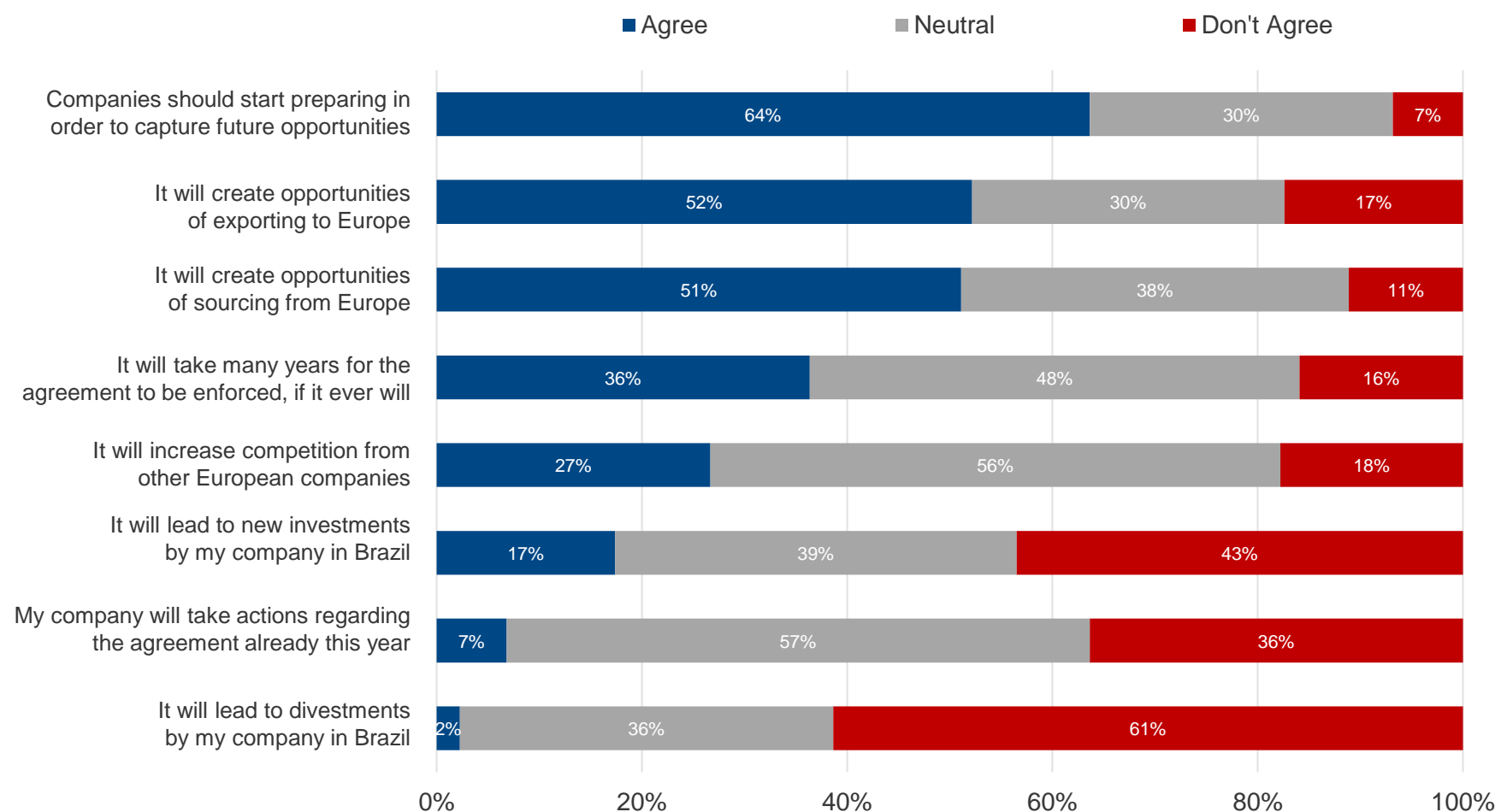
- Brazil has by far the largest trade with the European Union among the Mercosur members, representing more than 80% of both imports and exports.
- Although the EU-Mercosur trade is rather balanced, Mercosur countries tend to export lower value-added products such as agricultural commodities and mineral products.
- Through common external tariffs, Mercosur countries impose higher barriers on industrialized and consumer products, such as vehicles. The tariffs imposed on industrial inputs is usually lower.
- The final weighted tariff for Mercosur imports from the European Union during 2024 was 12.8%. With a final import volume of USD 45.9 billion, the total paid in tariffs was around USD 5.9 billion that year.

Source: Mercosur data, Common External Tariff (TEC).



Respondents can see opportunities resulting from the EU-Mercosur free trade agreement, and say that they need to start preparing

Question 15: How do you agree (or not) with the sentences below about the development of the EU–Mercosur Trade Agreement?



- In a new scenario of protectionism in global trade led by the United States, trade agreements become even more relevant, increasing the chance of development of the free trade deal between Mercosur and the European Union.
- 64% of companies agree that market players should start preparing for the effects of this agreement's implementation. However, only 7% will be taking action this year. This means that, while companies are preparing for change, this should only happen in the medium to long term, as it is the opinion of 36%.
- Among the opportunities created with the EU-Mercosur free trade agreement, around half Swedish companies see they will increase exports as well as sourcing from Europe. But competition with other European companies would only increase for 27%.
- 17% of respondents believe that they will increase investments in Brazil under this new scenario. However, for one company, this will lead to divestments instead.

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- **Acting Sustainably**

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Key Takeaways: Acting sustainably



30% of companies say that Brazilian customer highly consider environmental aspects when making their purchase



No company has reported human rights violations during the last year



29% of respondents have increased sales by offering a sustainable products and services

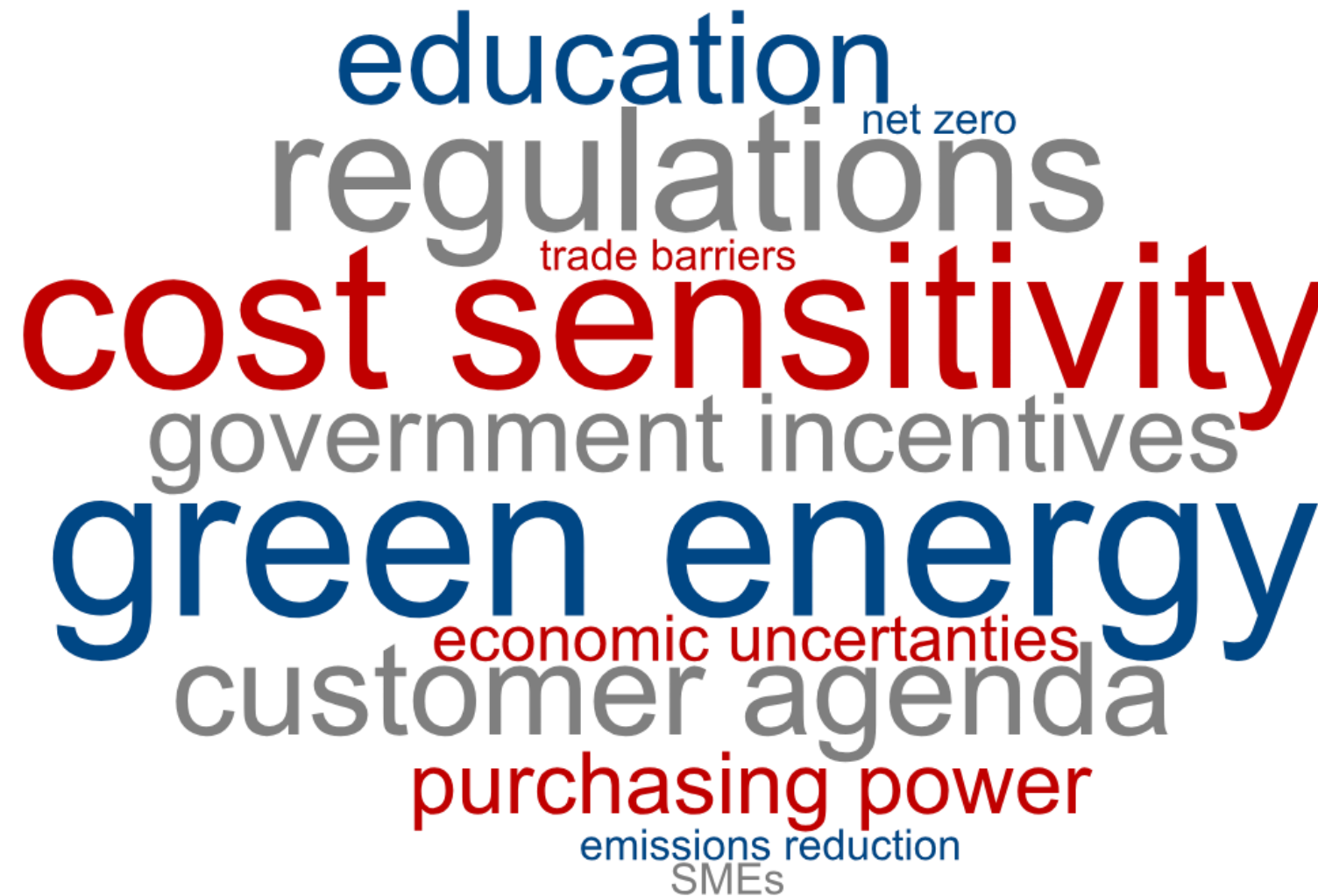


6 out of 48 respondents identified corruption risks during 2024, mainly coming from internal counterparts



Government incentives are needed to stimulate environmentally friendly alternatives, counterbalancing the cost sensitivity in Brazil

Question 16: Please elaborate on the sustainability related challenges in Brazil, and the possibility to mitigate those risks.



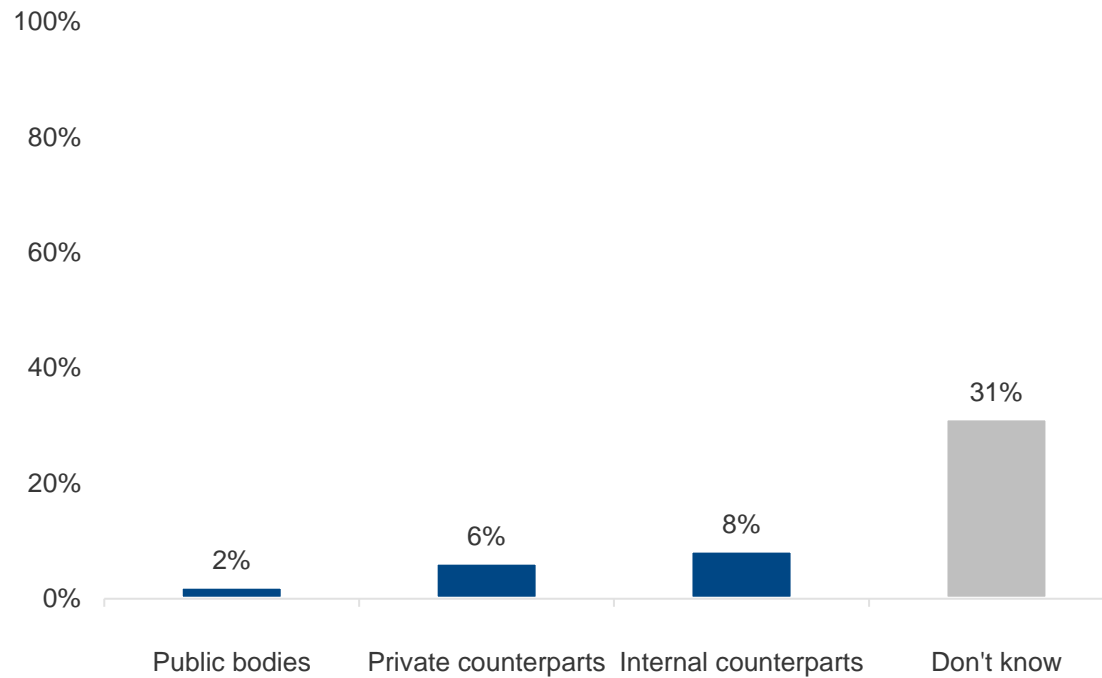


In total, 6 companies identified corruption activity during 2024; none have reported human rights violations

Corruption impact

Question 17:

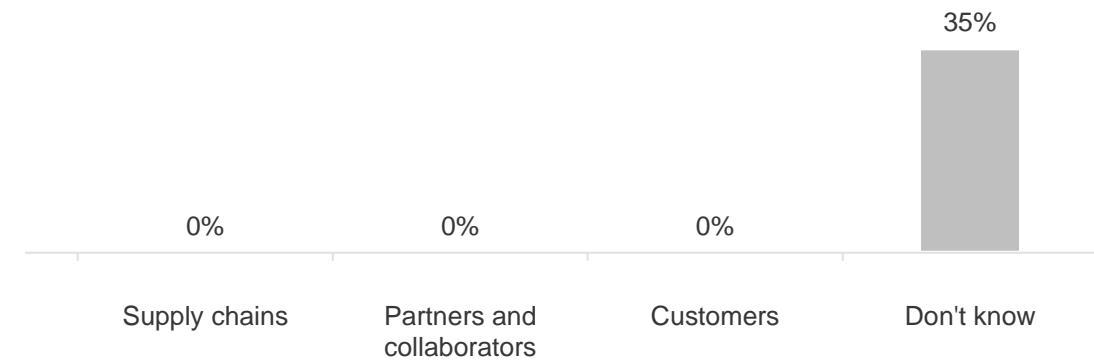
In the past year, has your company in Brazil been exposed to corruption with...



Human rights violations

Question 18:

In the past year, has your company in Brazil encountered any form of human rights violations and/or labor rights abuse in/ with your...



Brazil climbed many positions on the Environmental Performance Index, but received lower scores for Corruptions Perception and Political Stability

2024 CORRUPTION PERCEPTIONS INDEX,
selected economies

Rank	Country	Score (0 to 100)
= 1	 Denmark	90
▼ 8	 Sweden	80
▼ 15	 Germany	75
= 20	 United Kingdom	71
▼ 28	 United States	65
▼ 32	 Chile	63
▲ 76	 China	43
▼ 92	 Colombia	39
▼ 96	 India	38
▲ 97	 Indonesia	37
▼ 107	 Brazil	34
= 107	 Türkiye	34
▼ 140	 Mexico	26
▼ 154	 Russia	22







Number of countries in the rank: 180

2023 POLITICAL STABILITY AND ABSENCE OF
VIOLENCE/TERRORISM, selected economies

Rank	Country	Score (2.5 to -2.5)
▲ 1	 Jersey, Channel Isl.	1.74
▼ 57	 Sweden	0.76
▼ 72	 Germany	0.59
= 81	 United Kingdom	0.51
▼ 106	 Chile	0.14
▲ 112	 United States	-0.03
▲ 151	 Indonesia	-0.40
▼ 152	 Brazil	-0.41
▼ 159	 China	-0.51
▲ 164	 Mexico	-0.63
▼ 167	 India	-0.64
▼ 172	 Colombia	-0.72
▲ 183	 Türkiye	-0.92
▼ 184	 Russia	-1.04

Number of countries in the rank: 214

2024 ENVIRONMENTAL PERFORMANCE INDEX,
selected economies

Rank	Country	Score (0 to 100)
▲ 1	 Estonia	75.7
▲ 3	 Germany	74.5
▼ 5	 United Kingdom	72.6
▼ 6	 Sweden	70.3
▲ 35	 United States	57.2
▲ 47	 Brazil	53.0
▲ 63	 Colombia	49.7
▲ 64	 Chile	49.6
▲ 83	 Russia	46.7
▼ 97	 Mexico	44.2
▼ 143	 Türkiye	37.2
▼ 156	 China	35.4
▲ 163	 Indonesia	33.6
▲ 176	 India	27.6

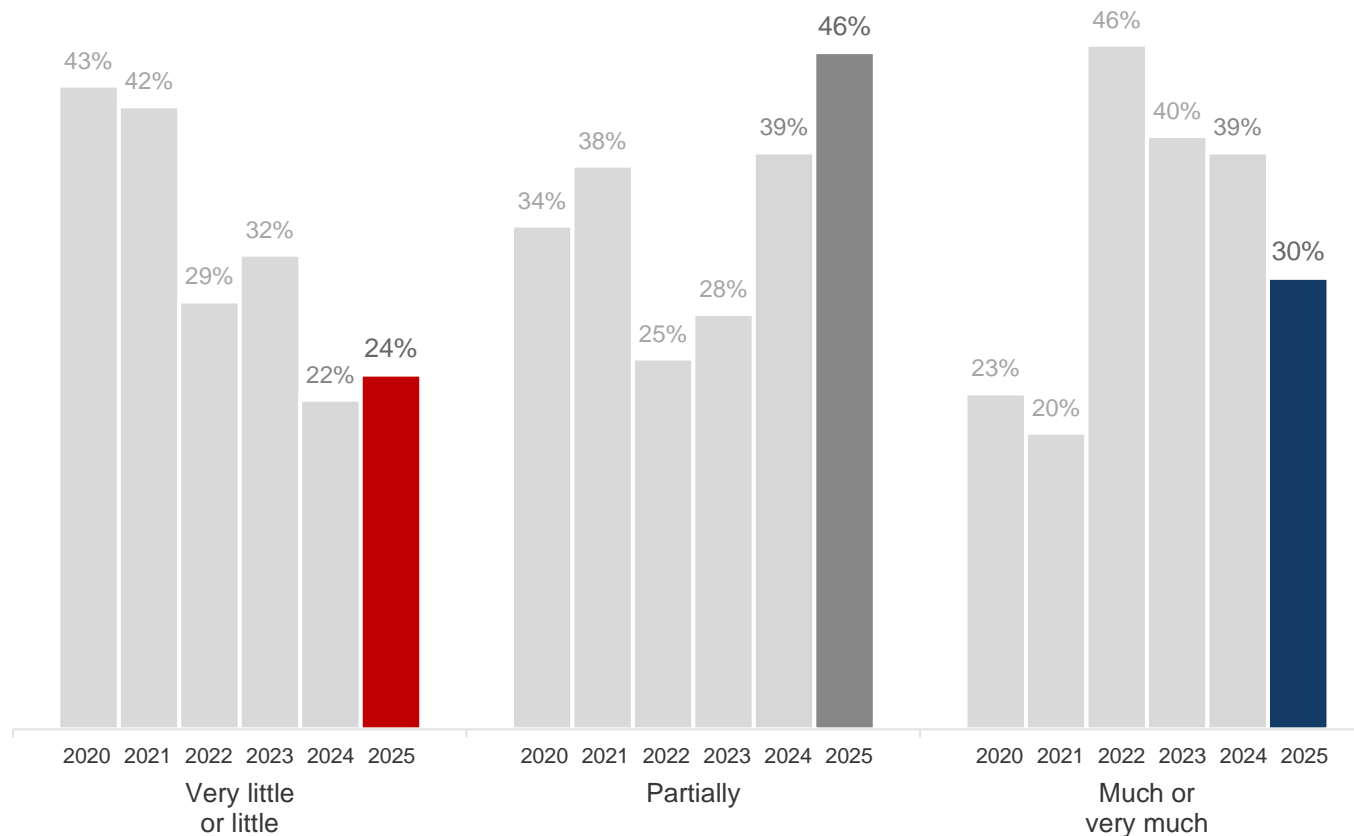
Number of countries in the rank: 180

Source: Transparency International, World Bank, Yale University.



30% of companies say Brazilian clients consider sustainability aspects much or very much; 46% say that they consider such aspects only partially

Question 19: In your view, to what extent do customers in your industry in Brazil consider environmental aspects of a product or service in their purchasing decision?

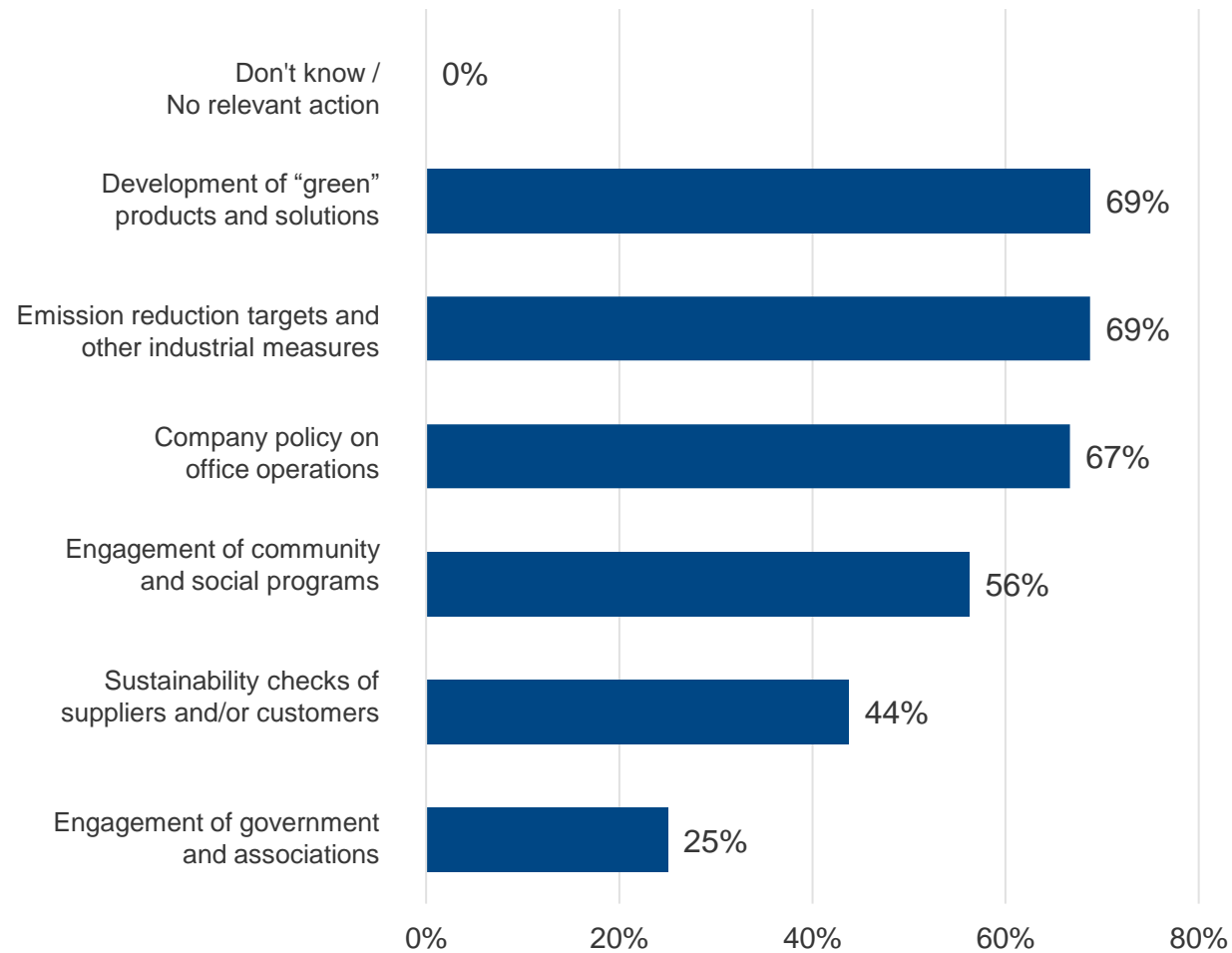


- Compared to the 2024 BCS, the rate of companies answering that Brazilian customers consider environmental aspects highly during the purchase decision dropped from 39% to 30%.
- Yet, the rate of companies answering that Brazilian customers barely consider such aspects grew only 2 percentual points, remaining at a low level compared to previous years. As such, the results for this question are comparable to the current assessment of the business climate in Brazil (Question 6).
- The deterioration of this perception over sustainability attention may be connected to factors identified in previous questions, such as a strong cost sensitivity by Brazilian customers (Question 16) and a more challenging economic scenario (Question 7).
- Medium and large Swedish respondents were the ones identifying a stronger environmental commitment by their clients in Brazil.

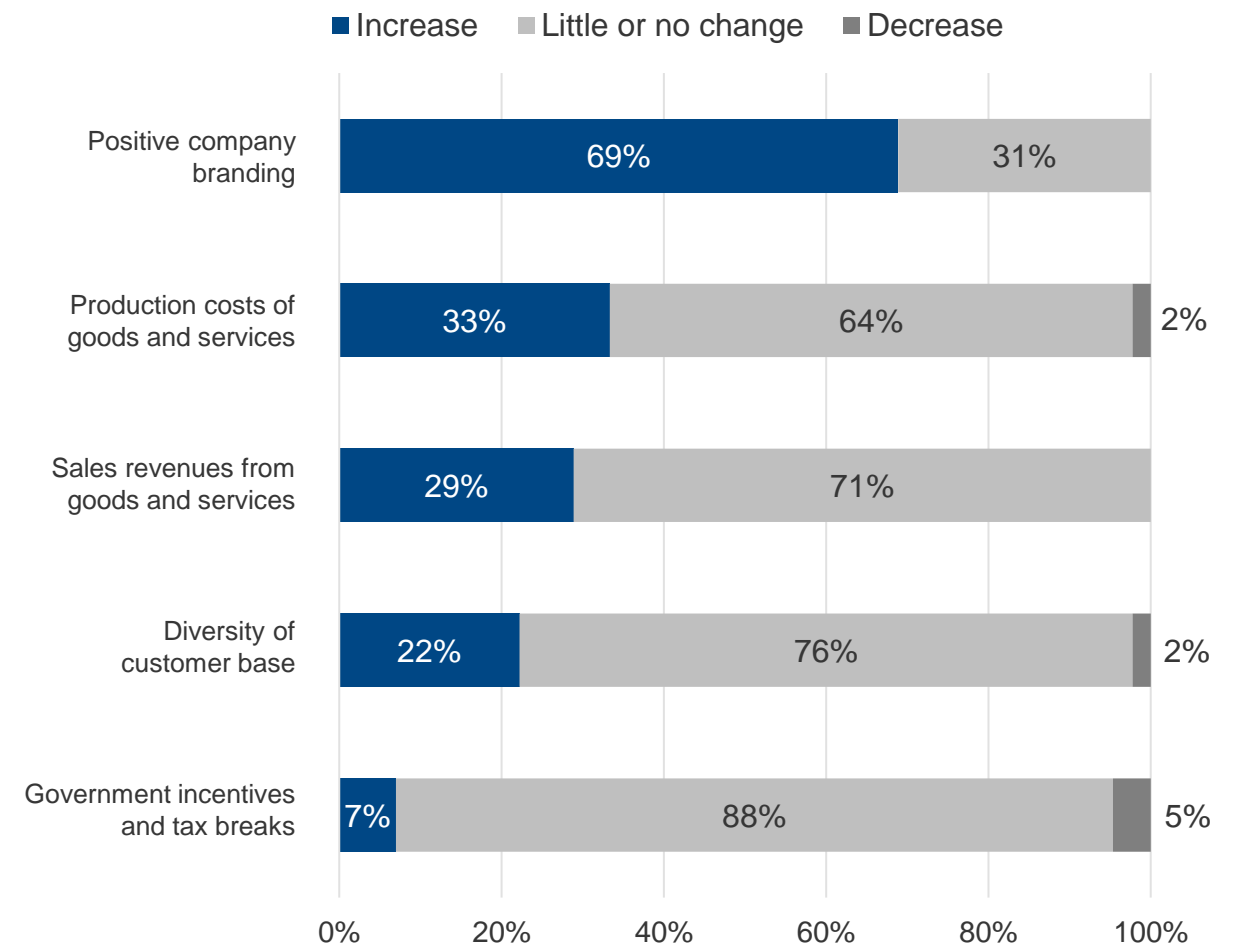


Swedish companies conduct intensive sustainable action in Brazil; that has resulted in a revenue increase for 29%, and a positive branding for 69%

Question 20: How does your company promote environmental sustainability in Brazil?



Question 21: To what extent have recent climate-friendly investments initiated by your company in Brazil caused increases or decreases in the following?



Note: responses Don't know/Not applicable were excluded from this analysis.

Current projects in Brazil point to a strong sustainable transition in Brazil

Wastewater & Solid Waste



State	Municipality	Project	Status	BRL million	Type
PA	Belém	Sewage expansion - SES da Bacia do Una	Preparation	359,2	State
RJ	Rio de Janeiro	Sewage expansion - Rio de Janeiro	Ongoing	325,7	Private
SP	Sumaré	Sewage expansion - Sumaré	Ongoing	302,0	Private
SP	São Paulo	Sewage expansion - Várzea do Tietê	Ongoing	300,2	State
PE	Caruaru	Sewage expansion - SES Caruaru	Preparation	299,7	State
MA	São Luís	Sewage expansion - SES São Luís	Preparation	297,8	State
SC	Itajaí	Sewage expansion - ETE Itajaí	Preparation	242,1	Municipal
RO	Guajará-Mirim	Sewage expansion - SES Guajará-Mirim	Preparation	226,8	State
RJ	Angra dos Reis	Sewage implementation - SES Japuiba	Preparation	225,3	Municipal
SE	Itabaiana	Sewage implementation - SES Itabaiana	Preparation	201,4	State
MG/SP	Various	Service of selective waste collection	Preparation	46,0	Municipal
SP	Peruíbe	Implementation of landfill	Preparation	35,0	Municipal

Sustainable Transport



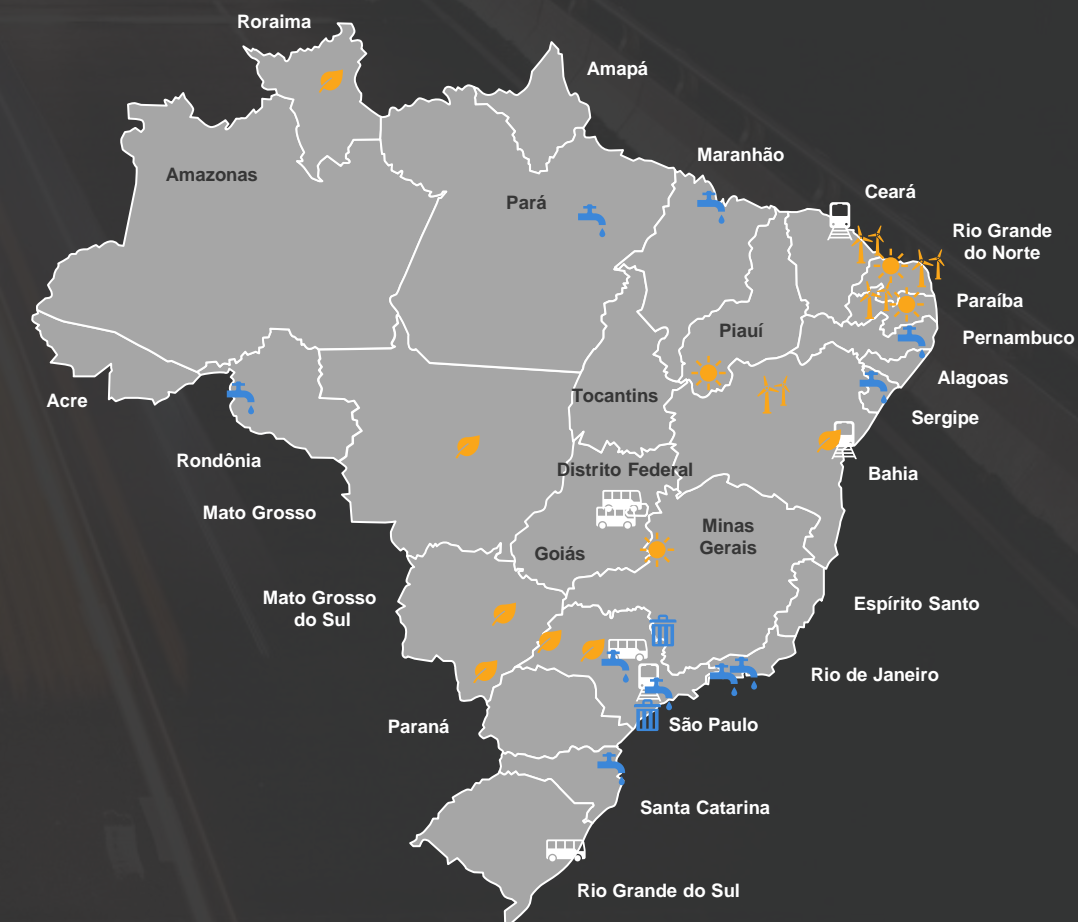
State	Municipality	Project	Status	BRL million	Type
SP	São Paulo	Expansion of Metrô Line 2	Ongoing	7.200,0	State
CE	Fortaleza	Implementation of Metrô East Line	Preparation	2.148,0	State
SP	São Paulo	Expansion of Metrô Line 5	Preparation	1.736,5	State
BA	Salvador	Expansion of Metrô Line 1	Preparation	1.518,6	State
DF	Brasília	Implementatation BRT Norte	Preparation	1.500,0	Municipal
RS	Porto Alegre	Sustainable bus fleet renewal (600)	Preparation	1.008,5	Municipal
GO	Luziânia	Implementation BRT	Preparation	1.000,0	State
SP	Campinas	Sustainable bus fleet renewal (512)	Preparation	949,2	Municipal
DF	Brasília	Implementation BRT Eixo Sudoeste	Preparation	925,3	Municipal

Wind, Solar & Biofuels



State	Municipality	Project	Status	BRL million	Type
BA	S. Francisco do Conde	Implementation of biorefinery	Ongoing	14.963,9	Private
MG	Paracatu	23 Solar plants Boa Sorte	Ongoing	4.915,8	Private
RN	Açu	16 Solar plants Assu Sol	Ongoing	3.647,8	Private
BA	Gentio do Ouro	24 Wind plants Serra do Assuruá	Ongoing	3.576,9	Private
PI	Parnaguá	15 Solar plants Altitude	Preparation	3.185,2	Private
PB	Santa Luzia	13 Solar plants Santa Luzia	Ongoing	3.149,4	Private
RN	Currais Novos	8 Wind plants Ventos de São Rafael	Ongoing	2.130,9	Private
PB	Nova Palmeira	14 Wind plants Serra da Palmeira	Ongoing	1.598,2	Private
MS	Caarapó	Implementation of ethanol plant	Ongoing	1.380,0	Private
SP	Andradina	Implementation of ethanol plant	Ongoing	1.380,0	Private
CE	Icapuí	10 Wind plants Kairós	Ongoing	1.215,5	Private
MS	Ribas do Rio Pardo	Thermal Renewable UTE Suzano	Ongoing	978,6	Private
MT	Lucas do Rio Verde	CO2 capture in soil	Ongoing	350,0	Private
SP	Piracicaba	Implementation of biomethane plant	Concluded	280,0	Private
RR	Boa Vista	Hybrid UTE Forte São Joaquim	Preparation	268,9	Private

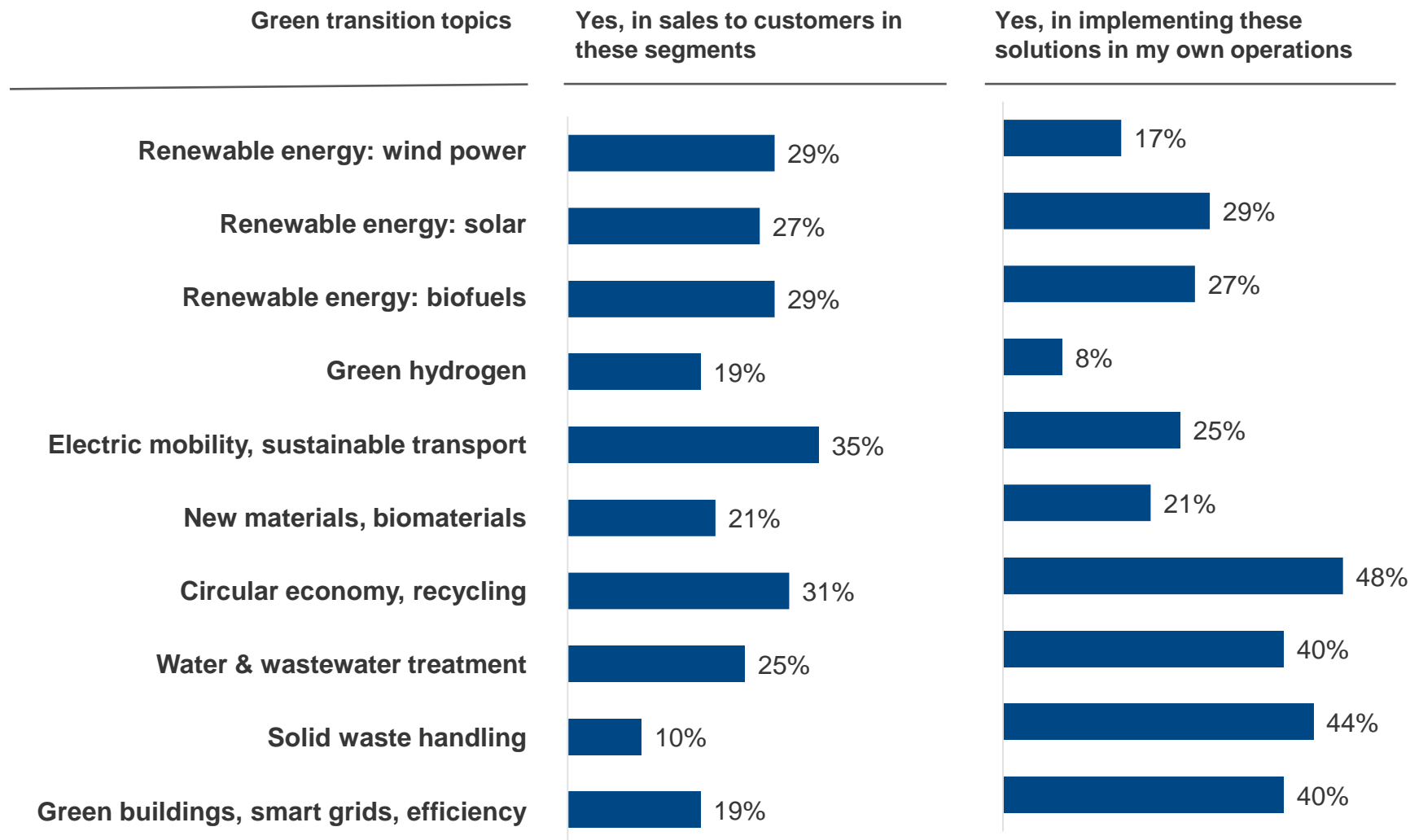
LARGE PROJECTS INCLUDED IN THE GOVERNMENT'S “NOVO PAC” PROGRAM, WITH INVESTMENTS BETWEEN 2023-2030



Source: Novo PAC Portal by the Federal Government.

Surveyed companies identify many opportunities related to a “green transition” in Brazil, either by sales of their solutions or their own adoption

Question 22: Will your company find opportunities in the short term related to the “green transition” in Brazil in the following segments?



- 27% to 29% of companies see opportunities related to solar generation and biofuels within renewable energy, primarily. In fact, projects indicated in Page 35 show strong investments in renewable energy across Brazil.
- Within the different sustainability segments, Swedish companies see more sales opportunities related to sustainable transport (35%) and circular economy (31%), besides renewable energy.
- Due to its early development and niche nature, green hydrogen was less mentioned as both a sales and implementation opportunity.
- 40% to 48% see opportunities in becoming more sustainable by implementing solutions related to circular economy, water & wastewater, solid waste and energy efficiency.

Managers voices: Brazilian leaders should step up and accelerate the green transition

Brazil can become a key player



"2025 should be better than 2024 and it is the moment to make happen what was promised to accomplish the goal to put Brazil as leader in the Energy Transition. Many projects still in blueprints and it is the year to make it concrete."



"The lack of structure and objective government investments are challenges, but due to the energy matrix, which is mostly clean, Brazil will be able to be a protagonist in this transformation and the private sector, driven by market demands, will play an important role in this transformation."



"For our company development of bio-diesel productions is getting more important for application of our technologies. Ethanol which is used for the corporate cars makes us decrease CO2 exhaust dramatically. Energy generated in Brazil is 89% based on renewable energy which also helps us to get KPIs in sustainability set by our HQ."

Government action is needed



"Still too expensive to be sustainable and little or no incentives to advance with sustainability. Strong regulations and government support are needed to secure faster improvements to lead the country to be fully sustainable. Education and Strong Communication are the key to secure that population starts to pressure the government to act and for the private sector to develop sustainable solutions."



"To mitigate these challenges, Brazil should invest in Net Zero initiatives, governmental incentives for the green transition, efficiency gains, circular economy and expand renewable energy capacity."



"Unfortunately, the business climate in Brazil has been facing a 'cloud' of uncertainty caused by the current government which has been taking inconsistent measures/actions, directly affecting the confidence of companies and impacting negatively business/projects in Brazil."

Managers voices: Cost is still the main driver for Brazilian clients

Corporate customers are lacking a sustainability focus



"The difficult part today is understanding the agenda of different clients and adapting to their demands. Often, they themselves do not have a clear sustainability strategy and sometimes expect our initiatives."



"Ethics and corporate social responsibility has emerged as a pre-requisite for most large organizations. This has pushed competition to step up and comply with "minimum" standards as mean to push their ways in but those not truly embedding the practice in their companies' DNAs have gradually lost ground and will eventually step up their game to earn a share of the market."

"Buyers are not yet ready to value a premium on low emissions products, however - when offered to pick a lower-emission alternative for a premium the choice is for the standard product. As demand for scope 3 reductions increase (which means a pressure from our customer's customers that they report on their emissions inventories and procure to partner with vendors that can help them reduce their CO2 footprint) we believe that this may change but not for the time being.."



"Most of customers don't have any procurement criteria connected to sustainability. For the few who do, these criteria are still not weighting into decisions and are considered "nice to have" only. None of our customers are willing to pay higher prices due to sustainability claims."

Low income is still a challenge



"In Brazil, the purchase of finished products faces the challenge of balancing sustainability with the limited purchasing power of the population. While consumers often seek more affordable products, prioritizing price over sustainability, awareness of the benefits of durable and eco-friendly products has been growing."



"From my perspective, main challenge is related to costs involved along the chain to have the ability to fully adopt sustainable practices, along with the fact that end consumers are more concerned with their ability to satisfy their basic food needs rather than to ensure they are sustainable..."



"Low disposable income to try more sustainable options, since they are normally more expensive."



"Sustainability seems to be far from Brazilians mind, the ESG agenda has been weakening a lot in recent years."

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