

Financial Information

Fundo Brasileiro para a Biodiversidade - FUNBIO

January 1 to December 31, 2020
with Independent Auditor's Report on Financial Information on
"Certain Projects managed by Fundo Brasileiro para a
Biodiversidade - FUNBIO"

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial Information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO”

January 1 to December 31, 2020

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A free translation from Portuguese into English of Independent Auditor's Report on financial information on "Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO" prepared in Brazilian currency in accordance with the accounting base for receipts and payments described in Note 2.

Independent auditor's report on financial information on "Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO"

To the Management of

Fundo Brasileiro para a Biodiversidade - FUNBIO - "Certain Projects"

Rio de Janeiro - Rio de Janeiro State

Opinion

We have audited the financial information on Certain Projects ("Projects") managed by Fundo Brasileiro para a Biodiversidade - FUNBIO (the "Institution"), funded by various sponsors, pursuant to donation agreements, for the period from January 1 to December 31, 2020, including a summary of significant accounting practices and other explanatory information.

In our opinion, the financial information referred to above presents fairly, in all material respects, the amounts received and paid in the period from January 1 to December 31, 2020, in accordance with the accounting base for receipts and payments described in Note 2.

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial information" section of our report. We are independent of the Projects in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of State Boards of Accountancy ("CFC") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter - basis of preparation and presentation of the Projects' financial information and restriction on use

We draw attention to Note 2 to the Projects' financial information, which describes the basis of preparation and presentation of this financial information, aimed at assisting FUNBIO in evidencing compliance with the covenants of aforementioned Agreements relating to preparation of financial information. As such, the Projects' financial information does not serve for other purposes. Our report is intended solely for compliance with the donation agreements between the Institution and the sponsors. Our opinion is not modified in respect of this matter.



Responsibilities of management and those charged with governance for the financial information

Management is responsible for the preparation and fair presentation of this financial information in accordance with the accounting base for receipts and payments described in Note 2, which includes determining that referred to base is acceptable for the preparation of the financial information under the circumstances, and for such internal control as management determines is necessary to enable the preparation of this financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the Projects' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using this accounting base, unless management either intends to end the Projects, or has no realistic alternative to prevent the Projects from ending.

Those charged with governance are responsible for overseeing the Projects' financial information preparation process.

As described in Note 2, the financial information was prepared on the accounting base of receipts and payments. Referred to accounting base recognizes transactions and facts only when funds (including fund equivalents) are received or paid by the Projects and not when these amounts result from, are earned or originate from rights or obligations that have not yet produced a change in funds (cash).

Auditor's responsibilities for the audit of the financial information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information.

As part of the audit conducted in accordance with the Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed risks of material misstatements of the financial information, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve override of internal controls, collusion, forgery, intentional omissions or misrepresentations.



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- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control.
- Evaluated the appropriateness of accounting policies used (described in Note 2) and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt on the Projects' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Projects to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial information, including the disclosures, and whether it represents the corresponding transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may have been identified during our audit.

Rio de Janeiro, May 18, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

A handwritten signature in blue ink, appearing to read 'Walter G. Neumayer'.

Walter G. Neumayer
Accountant CRC-RJ091659/O-0

A free translation from Portuguese into English of Financial Information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” prepared in Brazilian currency in accordance with the accounting base for receipts and payments described in Note 2.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial Information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO”

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

	Balance at 01/01/2020	Funds received	Investment yields	Finance costs	Exchange differences	Funds executed	Transfers (FUNBIO revenue)	Disbursements/inte rnal transfer	Other transfers	Balance at 12/31/2020	Note
Kayapó Fund	19,976	-	802	(43)	-	-	-	(1,897)	-	18,838	3.1 (a)
Kayapó Operational	18	-	19	-	-	(878)	(267)	1,897	4	793	3.1 (b)
Adoption of parks	551	-	13	-	-	-	-	-	-	564	3.2
Fauna Fund Portfolio	688	-	18	(2)	-	-	-	-	-	704	3.3
R20	1	403	-	(1)	-	(401)	-	-	-	2	3.4
Cooperation Agreement between Funbio and MMA - Probio II	31	-	1	(1)	-	(6)	-	-	-	25	3.5
FUNBIO Scholarships - Preserving the Future	579	1,153	7	(1)	-	(435)	-	-	-	1,303	3.6
Amapá Fund	12,498	-	2,050	(252)	1,769	-	-	-	-	16,065	3.7
Abrolhos Terra e Mar Fund (ATM Fund)	9,535	-	1,429	(146)	1,368	-	-	(952)	-	11,234	3.8 (a)
Abrolhos Terra e Mar Fund (ATM Fund) - Operational	-	-	1	-	-	(353)	(143)	952	-	457	3.8 (b)
Exxon Mobil - AMLD	287	500	4	(1)	-	(628)	(50)	-	-	112	3.9
Amazon Forest Fund	-	543	3	(4)	-	(268)	(27)	-	-	247	3.10
Kayapó - Trad. and Future of Amazon	-	987	1	-	-	-	-	-	-	988	3.11
Total	44,164	3,586	4,348	(451)	3,137	(2,969)	(487)	-	4	51,332	

See accompanying notes.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO”

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

1. Operations

Fundo Brasileiro Para a Biodiversidade (FUNBIO) is a Brazilian private not-for-profit institution that operates in partnership with the government and business sectors as well as the civil society so that strategic and financial resources are earmarked for effective biodiversity conservation initiatives. The Entity’s head office is located at Rua Voluntários da Pátria, nº 286, 5th and 6th floors, Botafogo, city and state of Rio de Janeiro, with establishment in the city of Brasília, Federal District, at SHN Quadra 2, Bloco F, Executive Office Tower, room 1323 to 1326, Asa Norte.

The main activities carried out include financial management of projects resources funds, design of financial mechanisms and studies of new sources of funds for conservation, as well as purchases and engagements of goods and services. Since the beginning of its activities in 1996, FUNBIO has supported 306 programs and projects, benefiting 255 institutions across the country and 350 Protected Areas. Funbio is accredited as an implementing agency for GEF - Global Environment Facility and for GCF - Green Climate Fund.

Funbio is an innovative financial mechanism, created to design strategies that contribute with implementation of the Convention on Biological Diversity (CDB) in Brazil. In the course of its 24-year operation, FUNBIO has been a strategic partner for the private sector, various state and federal entities and the organized civil society.

The financial information of accountability of certain projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO was prepared by FUNBIO management for the period from January 1 to December 31, 2020 in order to inform the financing agents as to the financial execution of these projects, as follows:

- Kayapó Fund - 3.I (a)
- Kayapó Operational - 3.I (b)
- Adoption of Parks - 3.II
- Fauna Fund Portfolio -3.III
- R20 - 3. IV
- Cooperation Agreement between Funbio and MMA - Probio II - 3.V
- FUNBIO Scholarships - Preserving the Future - 3.VI
- Amapá Fund - 3.VII
- Abrolhos Terra e Mar Fund (ATM Fund) - 3.VIII (a)
- Abrolhos Terra e Mar Fund (ATM Fund) Operational - 3.VIII (b)
- Exxon Mobil - AMLD - 3. IX
- Amazon Forest Fund- 3.X
- Tradition and Future of Amazon - 3.XI

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

1. Operations (Continued)

Impact of COVID-19

Since the beginning of January 2020, the outbreak of a new virus named COVID-19 has been identified. The Brazilian Ministry of Health reported the first case registered in the country on February 25, 2020, in the city of São Paulo. Due to the speed of contamination and the growing number of infected people, on March 11, 2020, COVID-19 was classified by the World Health Organization (WHO) as a pandemic.

To slow down the contamination by COVID-19, various countries have imposed a series of restrictive measures of social displacement, such as a quarantine period and closing of borders with other countries, unprecedented situations in recent world history. Brazilian government, acting together with the states and municipalities, adopted a series of measures, among them, decrees and provisional executive orders to minimize the risk of contamination of the population, the economic impact on the various sectors and still avoid the collapse of the Brazilian health system.

In 2019, Funbio invested significantly in updating its technology park, placing systems in cloud (Azzure) and also in expanding the project management and managerial information system through BI (Business Intelligence). A new purchasing and contracting platform was implemented, accelerating the response to the demands of the Fund's partners. In the financial area, the existing processes were reviewed and adapted to be carried out remotely, bringing agility and security to the treatment of the Fund' assets. These innovations are reflected in this period of threats posed by Covid-19, when in less than 1 week the Fund was able to remain in operation through remote work (home office), without prejudice to its ability to deliver. These investments were reflected throughout 2020, enabling the performance of the Institution's mission, the smooth running of the projects and ensuring compliance with health recommendations by employees.

In 2020, Funbio informs that there was no rescheduling of contracts with suppliers, postponement of the beginning of new projects or any cancelation of the portions of resources from donors.

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

2. Significant accounting practices

Basis of preparation

The Project’s financial information was prepared on a receipt and payment accounting base, whereby revenues are recognized upon receipt of funds (resources) and expenses are recorded when they effectively represent expenses paid in cash (cash). This accounting practice differs from the accounting practices applicable in Brazil, which establish that transactions must be recorded to the extent that they are incurred rather than when paid.

This financial information is presented in thousands of Brazilian reais, which is FUNBIO’s functional currency. All financial information was rounded to the nearest amount, unless otherwise stated.

The Institution management approved this financial information for issue on May 18, 2021.

3. Significant information on certain projects managed by FUNBIO

3.1. Kayapó Fund (FK)

Endowment established and designed by FUNBIO to support Kayapó organizations in the long term and increase the capacity of Kayapó Indigenous Lands to maintain their physical integrity. FK received donations totaling R\$14,400 from the Amazon Fund, through the National Bank for Economic and Social Development (“BNDES”), and from CI-Brazil (Conservation International). FUNBIO is the manager of the resources, which should be allocated to projects formulated by Brazilian indigenous organizations in connection with this ethnic group.

In 2020, the following results were achieved:

- Closing of three projects in connection with the 3rd Support Cycle, namely:
 - (I) Strengthening of the Organizational Management and Production Activities of Kayapó Menkragnoti People in BR-163 Corridor (Xingu Basin), in connection with Kabu Institute (closed on April 24, 2020);
 - (II) Promote the Social, Economic, Land, Institutional, Cultural and Political Autonomy of Kayapó people, in connection with Raoni Institute (closed on June 2, 2020);

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

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(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.1. Kayapó Fund (FK) (Continued)

(III) Initiatives relating to Land and Environmental Management of Kayapó Communities, in connection with the Protected Forest Association (closed on July 23, 2020).

- Approval of the Operational Plan for this mechanism and the consequent internalization of R\$5,499;
- Beginning of the implementation of a Strategic Plan to support small Kayapó representation organizations;
- Holding of the 4th Meeting of the Kayapó Fund Technical Committee for the evaluation and selection of proposals related to the 4th Support Cycle;
- Holding of the 7th Meeting of the Kayapó Fund Donors Committee for the selection and approval of proposals related to the 4th Cycle;
- Engagement of 2 projects approved in the 4th Kayapó Fund Support Cycle, namely: I) Defense of the Mekrãgnotí Territory in the deforestation corridor in southwest of Pará, in connection with kabu Institute, in the amount of R\$1,400 and; II) Mẽ Anodjá - Taking care of our Kayapó/Metuktire People, in connection with Raoni Institute, in the amount of R\$1,400.

Impact of COVID-19

Regarding the governance of the Kayapó Fund, the COVID-19 pandemic boosted the engagement of Funbio and donors in implementing strategies that favored the full progress of the contracting of supported projects, and the need for social isolation did not jeopardize the availability of resources for the indigenous organizations supported. Accordingly, adjustments were made to the various procedures that govern the assessment, contracting and availability of resources within the scope of the 4th project support cycle. In addition, adjustments were made to the proposals filed so that they include strategies to mitigate the spread of COVID 19 during the project's implementation.

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.1. Kayapó Fund (FK) (Continued)

Impacts of COVID-19 (Continued)

The execution of the supported projects was significantly affected due to the serious situation installed in indigenous lands across the country. Accordingly, the organizations benefiting from Kayapó Fund resources have concentrated on prioritizing activities aimed at **acquisitions/contracting** as well as advancing on planned activities that did not necessarily include field trips and mobilization of beneficiaries. In addition, FUNAI Administrative Ruling No. 419/PRES of March 17 prohibited entry into indigenous lands. The Administrative Ruling provides for an indefinite ban on the entry of civilians into indigenous lands, only the presence of people and institutions to carry out actions considered essential and aimed at food security and community health of the indigenous people were permitted.

In 2020 and 2019, the Fund did not receive resources, only transfers of resources from the Fund to the operational account, amounting to R\$1,897 (R\$636 in 2019), in which the project is executed. The operational account executed R\$1,145 (R\$852 in 2019) and yields totaled R\$19 (R\$8 in 2019). In the Fund, yields totaled R\$802 (R\$2,007 in 2019), closing the year with a balance in the operational account of R\$793 (R\$18 in 2019), and in the Fund of R\$18,838 (R\$19,976 in 2019).

a) Kayapó Fund

Funds contributed, finance costs, yields and transfers in the periods from January 1 to December 31, 2020 and 2019 were as follows:

	R\$ (thousand)		Accumulated (*)
	2020	2019	
Prior balance	19,976	18,951	-
Cash inflows - Kayapó Fund	-	-	14,392
Finance costs	(43)	(348)	(2,017)
Yields	802	2,009	13,939
Transfer of funds to operational account	(1,897)	(636)	(7,476)
Project balance	18,838	19,976	18,838

(*) The accumulated amount refers to the period from March 19, 2012 to December 31, 2020.

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.1. Kayapó Fund (FK) (Continued)

a) Kayapó Fund (Continued)

At December 31, 2020 and 2019, balances maintained in the project’s bank checking accounts, including short-term investments, are as follows:

	<u>2020</u>	<u>2019</u>
Kayapó Fund accounts		
Itaú Private – Efficax investment c/013548-6	12,563	12,988
Itaú Pragma - Fixed and floating rate invest. c/89239-9	6,275	6,988
Total	<u>18,838</u>	<u>19,976</u>

b) Kayapó - Operational account

Detailed information on cash inflows in operational checking account No. 28686-9 in Banco do Brasil is as follows:

	<u>Amount</u>	<u>Date of cash inflows in Bank</u>
Kayapó Fund accounts		
12 th Portion - 4th cycle	775	01/13/2020
13 rd Portion - 4th cycle	331	01/13/2020
14 th Portion - 4th cycle	791	08/31/2020
Total	<u>1,897</u>	

Funds contributed and yields in the periods from January 1 to December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>	<u>Accumulated (*)</u>
Kayapó Fund	1,897	636	7,464
BNDES Subloan A	-	-	389
Yields	19	8	337
Project balance	<u>1,916</u>	<u>644</u>	<u>8,190</u>

(*) The accumulated amount refers to the period from May 21, 2013 to December 31, 2020.

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.1. Kayapó Fund (FK) (Continued)

b) Kayapó - Operational account (Continued)

Statement of accumulated operational funds invested until 2020 is as follows:

	2020	2019	Accumulated (*)
Advisory services for conducting technical studies on Kayapó quality of life and physical integrity of their lands	-	70	389
AFP Project - Institutional strengthening towards autonomy	-	408	1,787
IR Project - Support to conservation and sustainable development actions for Capoto/Jarina and Menkragnoti lands	-	-	1,813
Kabu Institute Project - Strengthening income-generating activities	-	228	1,600
IR Project - Mê Anodjá Taking care of our Kayapó/Metuktire People	474	-	474
IK Project - Defense of the Mekrãgnotí Territory in the deforestation corridor in southwest of Pará	317	-	317
CI-Brazil Project - Technical Proposal for Monitoring Activities Related to the 4th Support Cycle for Kayapó Fund Projects	76	-	76
Total disbursements to other institutions	867	706	6,456
Other expenses	278	12	367
Total funds invested	1,145	718	6,823

(*) The accumulated amount refers to the period from July 18, 2013 to December 31, 2020.

As at December 31, 2020 and 2019, balances maintained in the project's bank accounts, including short-term investments, are as follows:

	2020	2019
Kayapó Operational Accounts		
Banco do Brasil – CDB invest. c/28686-9	793	7
Total	793	7

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Notes to financial information on "Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO" (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.2. Adoption of parks

This type of support, created in 2011, seeks voluntary private investment to structure and foster the maintenance of Federal, State or Municipal Protected Areas, aimed at biodiversity conservation. FUNBIO manages the donations and provides specialty procurement and hiring, financial control and reporting services. In consideration for the contribution of resources, the companies' sponsorship is recognized and gain visibility in communication actions.

Contracts terminated were:

Park	Area (thou) hectares	Contractual funds
Parque Nacional Marinho de Fernando de Noronha	10.9	R\$4,300 - OGX
Parque Nacional dos Lençóis Maranhenses	155	R\$3,500 - MPX/ENEVA

The contract in force was entered into with BP Brasil in 2012, in the amount of R\$ 300, to support actions related to environmental management of Protected Areas.

Impact of COVID-19

This project has not been impacted by the COVID-19 pandemic, as it has not yet started.

At the end of 2020, the balance of the Adoption of Parks program amounts to R\$ 564 (R\$551 in 2019). In 2020 and 2019, there was no execution in its activities. Yields totaled R\$13 (R\$26 in 2019).

There was no contribution of funds in the Adoption of Parks Project in the periods from January 1 to December 31, 2020 and 2019.

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Notes to financial information on "Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO" (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.2. Adoption of parks (Continued)

Finance costs and yields in the periods from January 1 to December 31, 2020 and 2019 were as follows:

	2020	2019	Accumulated (*)
Inflows - MPX - PNLM	-	-	2,060
Inflows - OGX - PNFN	-	-	2,329
Inflows - BP - RVS Tijuco and da Prata Rivers	-	-	300
Finance costs	-	-	(9)
Yields	13	26	1,257
Total funds contributed	13	26	5,937

(*) The accumulated amount refers to the period from December 1, 2011 to December 31, 2020.

At December 31, 2020 and 2019, balances maintained in the project's bank accounts, including short-term investments, are as follows:

	2020	2019
Adoption of Parks RVS Rio da Prata Account		
Banco do Brasil - CDB invest. c/28711-3	564	551
Total	564	551

3.3. Fauna Brasil Portfolio

The Brazilian Fauna and Fishing Resources Conservation Portfolio - Fauna Brasil Portfolio is a financial mechanism that receives funds from criminal penalties, environmental administrative fines, donations, sponsorships and other sources. Result of a partnership with IBAMA (Brazilian Institute of Environment and Renewable Natural Resources), ICMBio and the Federal Prosecutor's Office, it is intended to fund endangered Brazilian fauna conservation programs and projects.

For the Ararinha na Natureza (Spix's Macaw in nature) Project, the Fauna Portfolio supported the process to create a Protected Area in the region where the species is found, in the state of Bahia, which included from social and environmental studies as well as public consultation. Since the financial balance of this project was zeroed at the end of 2018, there was no execution in 2020 and 2019.

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.3. Fauna Brasil Portfolio (Continued)

Fauna Fund has a balance of R\$704 at the end of 2020 (R\$688 in 2019). In this period no fund was received; however net yield of approximately R\$16 was generated (R\$32 in 2019).

By 2020, Fauna Portfolio monitored the implementation of a total 11 projects for the conservation of Brazilian endangered species, such as reef fish, sea turtles, marine mammals (including porpoise, humpback whale and manatee), medium and large feline in the northern region of Rondônia State, red-tailed amazon and Spix’s macaw.

Impact of COVID-19

This project was not impacted by the COVID-19 pandemic, as its activities have been executed.

Funds contributed and withdrawals from FUNBIO Funds (FRF) in the periods from January 1 to December 31, 2020 and 2019 were as follows:

	2020	2019	Accumulated (*)
Changes in Fauna Fund			
Cash inflows			
Free funds	-	-	407
Species Conservation	-	-	9
Technical Capacity Development	-	-	10
Specific Project	-	-	51
Sustainable Use of Native Species	-	-	3
Total cash inflows	-	-	480
FRF withdrawal			
Free funds	-	-	(15)
Specific Project	-	-	(3)
Total FRF withdrawal	-	-	(18)
Closing balance			
Free funds	-	-	392
Species Conservation	-	-	9
Technical Capacity Development	-	-	10
Specific Project	-	-	48
Sustainable Use of Native Species	-	-	3
Closing balance	-	-	462

(*) The accumulated amount refers to the period from December 30, 2010 to December 31, 2020.

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Notes to financial information on "Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO" (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.3. Fauna Brasil Portfolio (Continued)

No operational funds were invested in 2020 and 2019. Accumulated disbursements in the projects by December 31, 2020 totaled R\$116.

In addition, bank checking accounts received cash inflows referring to short-term investment yields, which in the periods from January 1 to December 31, 2020 and 2019 totaled:

	2020	2019	Accumulated (*)
Yields	18	38	357
Project balance	18	38	357

(*) The accumulated amount refers to the period from December 30, 2010 to December 31, 2020.

At December 31, 2020 and 2019, balances maintained in the project's bank checking accounts, including short-term investments, are as follows:

	2020	2019
Seismic and Fauna Fund Portfolio Account		
Itaú c/01677-4 CDB	563	549
Itaú c/01677-4 Private Exclusive FIC	142	139
Total	705	688

3.4. Project to Support R20 activities in Brazil

R20 - Regions of Climate Action, is a non-governmental organization founded in 2010 in California, United States of America that entered into a partnership agreement with FUNBIO aiming operational support for the management of funds contributed by and for R20, consisting of asset management for the feasibility of the initial funds receipts and payments for R20 activities in Brazil.

Impact of COVID-19

The main impact arising from the COVID-19 pandemic to this project was the impossibility of new planning for its execution.

In 2020, R\$403 (R\$314 in 2019) were received, and accountability was carried out amounting to R\$401 (R\$313 in 2019).

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.4. Project to Support R20 activities in Brazil (Continued)

Detailed information on cash inflows in checking account no. 28.950-7 in Banco do Brasil, donated to the project in 2020, is as follows:

	Amount	Date of cash inflows in Bank
Accounts R20 - Regions of Climate Action		
CENTRAIS ELETRICAS BRASILEIRAS S/A-	210	02/05/2020
MUNICIPIO DO RIO DE JANEIRO	12	07/08/2020
MUNICIPIO DE SAO CARLOS	8	09/16/2020
FUNDO MUNICIPAL DO MEI	10	10/01/2020
MUNICIPIO DO RIO DE JANEIRO	162	11/12/2020
Total	<u>1,897</u>	

Funds contributed and yields in the periods from January 1 to December 31, 2020 and 2019 were as follows:

	2020	2019	Accumulated (*)
Inflows - R20 - Regions of Climate Action	403	314	1,693
Finance costs	(1)	(1)	(2)
Yields	-	-	3
Total funds contributed	<u>402</u>	<u>313</u>	<u>1,694</u>

(*) The accumulated amount refers to the period from April 13, 2016 to December 31, 2020.

At December 31, 2020 and 2019, balances maintained in the project's bank checking accounts, including short-term investments, are as follows:

	2020	2019
R20 - Regions of Climate Action Account		
Banco do Brasil - C/C 28.950-7	2	1
Total	<u>2</u>	<u>1</u>

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.5. Cooperation Agreement between Funbio and MMA - Probio II

This Agreement was entered into to enable the use of the remaining financial resources from the Integrated Public-Private Actions for Biodiversity Project (Probio II - TF 91515). These resources derive from the yield from GEF donation and upon an agreement entered into among Brazil’s Federal Savings and Loans Bank (“CEF”), the World Bank and FUNBIO.

On January 31, 2017, the amount of R\$600 was transferred to FUNBIO to be invested in the following activities:

- Promote actions related to the review of priority areas for the conservation, sustainable use and partition of the Brazilian biodiversity benefits to Pampa biome, and
- Disseminate information on the Brazilian biodiversity by means of the digitalization and online availability of critical rare biodiversity works in Brazilian libraries.

The Cooperation Agreement expired on January 17, 2019, with all activities completed.

Impact of COVID-19

This project was not impacted by the COVID-19 pandemic, as it had no planned execution in the period.

In 2020, there was no execution of the Project.

In the periods from January 1 to December 31, 2020 and 2019, no funds were received and the amount of R\$6 (R\$281 in 2019) was executed. At December 31, 2020, the checking account dedicated to the Agreement had a balance of R\$25 (R\$31 in 2019).

Funds contributed and yields in the periods from January 1 to December 31, 2020 and 2019 were as follows:

	2020	2019	Accumulated (*)
Inflows - MMA	-	-	640
Yields	1	1	62
Total funds contributed	1	1	702

(*) The accumulated amount refers to the period from January 31, 2017 to December 31, 2020.

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO

(Continued)

3.5. Cooperation Agreement between Funbio and MMA - Probio II (Continued)

At December 31, 2020 and 2019, balance maintained in the project’s bank accounts, including short-term investments, are as follows:

	2020	2019
MMA Account		
Banco do Brasil - C/C 130239-6	-	-
Banco do Brasil – CDB invest. C/130239-6	25	32
Total	25	32

3.6. FUNBIO Scholarships - Preserving the Future

Result of the partnership between Humanize Institute and FUNBIO, the 2020 FUNBIO Scholarships - Preserving the Future Program is an initiative of this organization to provide financial support to field research on biodiversity and environmental conservation, of students enrolled in Master and PhD courses in Brazilian higher-education institutes and universities. A total of 461 (four hundred and sixty-one) applications were submitted from applicants of 25 states and of Federal District, mostly females (62%). The total funds expected for the scholarships amounted to R\$1,100, of which Master students (29% of applicants) could apply for up to R\$20 while PhD students could apply for up to R\$38.

A specific commission was established for the final selection of projects. This commission was composed of three members of FUNBIO Board: Mr. Ricardo Machado, Ms. Maria José Gontijo and Mr. Paulo Moutinho, the unit coordinator Ms. Fernanda Marques and Ms. Rosa Lemos (general executive secretary of Funbio).

Thirty-two (37) research projects were selected from students of 22 different public institutions in the country. These researches were proposed to be carried out in the fields of Atlantic Forest (14), Marine and Coastal (8), Amazon Forest (7), Cerrado (3) and Caatinga (3), Pantanal (1) and Pampa (1) biomes. Thirty (30) scholarships were granted to PhD students and seven (7) to master students. The result was published on the FUNBIO website on December 15, 2020 and the contracts’ execution with selected applicants was carried out by FUNBIO’s legal advisors.

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.6. FUNBIO Scholarships - Preserving the Future (Continued)

Impact of COVID-19

The call planning and realization related to “2020 FUNBIO Scholarships - Preserving the Future” program were not directly affected by the restrictions imposed related to the pandemic, since the entire selection process was carried out online and all FUNBIO employees were allocated to work from home. It is worth highlighting FUNBIO's commitment and agility in implementing digital tools and processes so that all the project steps could be carried out successfully and remotely, allowing the selection and payment of scholarships according to the planning. The greatest impact observed in the project is related to the execution of the scholarship holders' research projects, since various universities, laboratories and research centers are closed, as well as Protected Areas and Indigenous Communities. Also, the scholarship holders are prevented from moving to carry out the planned field actions. Therefore, the deadlines for completion of research and delivery of final reports were extended in most cases, but the real impact on project execution time cannot yet be fully assessed as the country is still under the adversities of the pandemic and the need for social distancing.

In 2020, this project received the amount of R\$1,153 (R\$1,000 in 2019); R\$435 (R\$1,431 in 2019) were executed; yields totaled R\$7 (R\$10 in 2019); and the year was closed with a balance of R\$1,303 (R\$579 in 2019).

The engagement of research scholarship and the withdrawal of funds took place until February 2021.

Detailed information on cash inflows in checking account no. 24.128-8 in Banco do Brasil, donated to the project in 2020, is as follows:

	<u>Amount</u>	<u>Date of cash inflows in Bank</u>
FUNBIO scholarship accounts		
Inflows (Instituto Humanize)	500	10/09/2020
Inflows (FUNBIO)	500	10/29/2020
Total	<u>1,000</u>	

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial information on "Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO" (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.6. FUNBIO Scholarships - Preserving the Future (Continued)

Funds contributed and yields in the periods from January 1 to December 31, 2020 and 2019 were as follows:

	2020	2019	Accumulated (*)
Inflows - FUNBIO Scholarship	1000	1,000	3,000
Yields	7	10	36
Total funds contributed	1,007	1,010	3,037

(*) The accumulated amount refers to the period from June 20, 2018 to December 31, 2020.

At December 31, 2020 and 2019, balances maintained in the project's bank checking accounts, including short-term investments, are as follows:

	2020	2019
FUNBIO scholarship account		
Banco do Brasil - C/C 24128-8	-	5
Banco do Brasil – CDB invest. c/24128-8 ⁽¹⁾	1,152	580
Total	1,152	585

(1) On December 24, 2020, funds were received in the Funbio's administrative account in the amount of R\$153, received from Eurofins Agrosociences Services Ltda., which was regularized for the project account on January 5, 2021.

3.7. Amapá Fund

The Amapá Fund was designed by FUNBIO with support from Gordon and Betty Moore Foundation and CI-Brasil, and in close cooperation with the State of Amapá Environment Secretariat team to allocate resources for the maintenance of biodiversity protected areas in that state. Launched in 2015, it had an initial contribution of US\$2,500 donated by the Global Conservation Fund (GCF), Conservation International and state contribution of R\$1,000.

The mechanism provides for the funding from diversified sources such as TACs, donations and payments for environmental services. The purpose is to give agility to the execution and flexibility in the allocation of resources in protected areas, in a manner that meets the real needs of the Protected Areas of the most preserved state of Brazil.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.7. Amapá Fund (Continued)

FUNBIO ensures the engagement of a professional asset manager for compliance with the investment policy proposed by the fund. The first contribution occurred in 2016, in the amount of R\$8,100. The fund is invested and a review is being conducted in the project operational guide and governance structure, in addition to the need for realignment due to changes in the team.

In 2020, alignment meetings were held with partners (CI-Brasil and SEMA-AP) to discuss and define the Fund’s governance structure and the most appropriate execution format that guides the preparation of the MOP.

Impact of COVID-19

No impacts were identified as a result of the COVID-19 pandemic, since the project has not yet started.

In 2020 and 2019 no new contributions were made]. However, in 2020, the funds invested generated yields amounting to R\$2,050 (R\$1,979 in 2019), closing the year with a balance of R\$16,065 (R\$12,498 in 2019).

Funds contributed, finance costs, foreign exchange differences and yields in the periods from January 1 to December 31, 2020 and 2019 were as follows:

	2020	2019	Accumulated (*)
Inflows - Conservation International	-	-	8,163
Yields	2,050	1,979	5,920
Finance costs	(252)	(161)	(955)
Foreign exchange differences	1,769	248	2,937
Total funds contributed	3,567	2,066	16,065

(*) The accumulated amount refers to the period from June 30, 2016 to December 31, 2020.

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.7. Amapá Fund (Continued)

At December 31, 2020 and 2019, balances maintained in the project's bank checking accounts, including short-term investments, are as follows:

	2020	2019
AMAPÁ Fund Account		
Itaú Miami - c/c 6088320	-	35
Itaú Miami - Fixed and floating rate invest. c/6088320	-	1,400
Itaú Priv. - Efficax investment - c/17414-7	219	843
Itaú Pragma - Fixed and floating rate invest. c/96669-8	5,697	4,609
Itaú Miami - JTU Investment c/041412	-	5,015
Itaú Priv. -WORLD EQUITIES FIC investment c/17414-7	1,002	596
Julius Bär Investment c/0600.6870	9,147	-
Total	16,065	12,498

3.8. Abrolhos Terra e Mar Fund (ATM Fund)

Abrolhos Terra e Mar Fund, formerly known as “Bahia & ES Fund”, was designed by FUNBIO with support from the Gordon and Betty Moore Foundation and CI-Brasil, and in close coordination with Chico Mendes Institute for Biodiversity Conservation (ICMBio), to allocate resources to ensure the viability and sustainability of Federal Protected Areas of Abrolhos Terra e Mar territory. Launched in 2016, this fund had an initial contribution of US\$2,100 donated by the Global Conservation Fund (GCF), from Conservation International.

FUNBIO ensures the engagement of a professional asset manager for compliance with the investment policy proposed by the fund. The first contribution took place in 2016, in the amount of R\$6,928.

In 2020, the main activities carried out were:

- Structuring of the Managing Board of Abrolhos Terra e Mar Fund and 1st ordinary meeting carried out;
- Approval of biannual planning for the first redemption of the Fund;
- First Fund redemption carried out;
- Formalization of the first disbursement contract;

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial information on "Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO" (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.8. Abrolhos Terra e Mar Fund (ATM Fund) - Continued

- First disbursement made and start of project execution, whose main actions are:
 - Promoting entrepreneurship for the integrated development of sustainable tourism in the Protected Areas of the territory and its surroundings;
 - Participatory development of the strategy for the Abrolhos Terra e Mar Route;
 - Development of the Abrolhos Region Portal as a reference for integrating and stimulating business engaged in nature-based solutions;
 - Support for Public Use of the Abrolhos Marine National Park;
 - Support for Public Use of the Discovery National Park (Parque Nacional do Descobrimento);

Impact of COVID-19

In 2020, due to the pandemic, all project activities were carried out remotely, causing delays in the execution and the need to re-plan certain actions. Certain planned activities are essentially on-site and should, therefore, be postponed until the current critical situation resulting from the pandemic effects is eased. The same situation occurs for acquisitions related to the public use of parks, whose return of collective activities still cannot be predicted and, therefore, these acquisitions will be reallocated or postponed, depending on the scenario in 2021. The other activities have been rethought and reformatted for their execution 100% remotely.

In 2020 and 2019, the Fund received no funds, only transfers of funds from the Fund to the operational account were made, amounting to R\$952 (R\$0 in 2019), in which the project is executed. The operational account executed the amount of R\$496 (R\$0 in 2019). Investment yields in the operational account totaled R\$1 (R\$0 in 2019) while in the Fund yields totaled R\$1,429 (R\$1,542 in 2019), closing the year with a balance of R\$457 (R\$0 in 2019) in the operational account, and balance of R\$11,234 (R\$9,535 in 2019) in the Fund.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.8. Abrolhos Terra e Mar Fund (ATM Fund) - Continued

Finance costs, foreign exchange differences and yields in the periods from January 1 to December 31, 2020 and 2019 were as follows:

a) Abrolhos Terra e Mar Fund (ATM Fund)

	2020	2019	Accumulated (*)
Inflows - Conservation International	-	-	6,928
Yields	1,429	1,542	3,525
Finance costs	(146)	(143)	(402)
Foreign exchange differences	1,368	193	2,135
Transfer of funds to operational account	(952)	-	(952)
Total funds contributed	1,699	1,592	11,234

(*) The accumulated amount refers to the period from December 13, 2016 to December 31, 2020.

At December 31, 2020 and 2019, balances maintained in the project's bank checking accounts, including short-term investments, are as follows:

	2020	2019
Abrolhos Terra e Mar Fund Account⁽¹⁾		
Itaú Miami - c/c 6086720	-	47
Itaú private Efficax FI - c/c 02077-9	166	656
Itaú Pragma c/c 15874-0	3,534	3,530
Itaú Private WORLD EQUITIES FIC - 02077-9	599	451
Itaú Miami c/JTU021893	-	4,851
Julius Bär Investment 0600.6869	5,384	-
Total	9,683	9,535

(1) On November 9, 2020, a transfer was made from account Itaú Miami CC 6086720 - ABROLHOS Fund - UNITS BLACKROCK GLOBAL (7.674.0000) in the amount of R\$1,550 to account Julius Baer c/0600.6869, however this amount remained in transit, only on February 5, 2021 it was regularized in the account. Therefore, the balance for this project is R\$11,234 thousand.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.8. Abrolhos Terra e Mar Fund (ATM Fund) - Continued

b) Abrolhos Terra e Mar Fund (ATM Fund) - Operational

Detailed information on cash inflows in checking account No. 130124-1 in Banco do Brasil is as follows:

	Amount	Date of cash inflows in Bank
Abrolhos Terra e Mar Fund Accounts - Operational		
1 st Withdrawals for the 1 st Cycle	952	10/15/2020
Total	<u>952</u>	

Funds contributed and yields in the period from January 1 to December 31, 2020 were as follows:

	2020	2019	Accumulated (*)
Inflows - Abrolhos Terra e Mar Fund - Operational	952	-	952
Yields	1	-	1
Total funds contributed	<u>953</u>	-	<u>953</u>

(*) The accumulated amount refers to the period from October 15, 2020 to December 31, 2020.

The statement of investments of operational funds in the period from January 1 to December 31, 2020 is as follows:

	2020	2019	Accumulated (*)
Abrolhos Terra e Mar Fund Account - Operational			
Support to project	187	-	187
Technical Secretariat	166	-	166
Financial Manager	143	-	143
Total funds invested	<u>496</u>	-	<u>496</u>

(*) The accumulated amount refers to the period from October 15, 2020 to December 31, 2020.

As at December 31, 2020, balances maintained in the project's bank accounts, including short-term investments, are as follows:

	2020	2019
Abrolhos Terra e Mar Fund Account - Operational		
Banco do Brasil – CDB invest. C/130124-1	457	-
Total	<u>457</u>	-

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.9. Exxon Mobil - AMLD

3.9.1. Partnership: Forest Restoration for the Conservation of the Golden Lion Tamarin

With up to 50 centimeters and dense golden-orange fur, the golden lion tamarin is a unique species of Atlantic Forest of Rio de Janeiro. Like the forest, the population of *Leontopithecus rosalia* is now fragmented. This is mainly caused by the expansion of pastures, infrastructure works and agricultural activity along the São João River basin. The (re) connection between the golden lion tamarin groups, which live on islands of vegetation and gather up to 11 individuals, is essential. These actions are required to ensure the future of the species, since it is an endangered species.

This initiative is named “Partnership: Forest Restoration for the Conservation of the Golden Lion Tamarin”. The project will be carried out by the Mico-Leão-Dourado Association (AMLD) with resources donated by ExxonMobil, for the purpose of planting 20 thousand seedlings of native species of Atlantic Forest in Silva Jardim. Therefore, the project contributes to the survival of the species. The restored area corresponds to 14 football fields.

Today, it is estimated that the golden lion tamarin population in the wild is formed by 2,500 animals. As a result, the work will also directly benefit residents of the surroundings who work in seedling nurseries. And, indirectly, the population of the municipalities in the region, which, due to the continuous work of forest restoration promoted by AMLD, will count on improved ecosystem services.

The project’s activities were closed in 2020, with the final activities of maintenance and monitoring of 20 thousand trees planted on the 14 hectares of Igarapé Farm.

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.9. Exxon Mobil - AMLD (Continued)

3.9.2. Partnership: Implementation of the Golden Lion Tamarin Ecological Park

In August 2020, project “Partnership for Implementation of the Golden Lion Tamarin Ecological Park” was started to support the implementation of the Golden Lion Tamarin Ecological Park at Fazenda Igarapé, where, also in 2020, the forest restoration process with 20 thousand seedlings of species from the Atlantic Forest was executed, in the city of Silva Jardim, in the state of Rio de Janeiro. In 2020, the maintenance and monitoring of seedlings of native species from Atlantic Forest planted in 2019 were carried out by project “Forest Restoration for the Conservation of the Golden Lion Tamarin”.

Impact of COVID-19

Due to the Covid-19 pandemic, in mid-March 2020 the Mico-Leão-Dourado Association (AMLD) closed its office and started a phase of remote work (home office) for the activities that allowed this arrangement. Various actions foreseen in the Strategic Planning were harmed especially those that involved holding meetings, courses and events.

The main activities planned between March and August 2020 were in connection with fieldwork, especially for maintenance of the planting of 14 hectares. The teams of the companies engaged to perform the service were guided and established prevention procedures, especially in the transport between Casimiro de Abreu and the planting area.

Environmental education and ecotourism activities were severely impacted and practically interrupted. This period has been used to carry out planning actions, especially for the project to implement the Mico-Leão-Dourado Ecological Park.

In 2020, this project received the amount of R\$500 (R\$941 in 2019); R\$678 (R\$658 in 2019) were executed; yields totaled R\$4 (R\$4 in 2019); and the year was closed with a balance of R\$112 (R\$287 in 2019).

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Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.9. Exxon Mobil - AMLD (Continued)

3.9.2. Partnership: Implementation of the Golden Lion Tamarin Ecological Park (Continued)

Detailed information on cash inflows in checking account No. 24900-9 in Banco do Brasil, donated to the project in the period from January 1 to December 31, 2020, is as follows:

	Amount	Date of cash inflows in Bank
Exxon Mobil Accounts		
Inflows (Exxon Mobil)	500	08/26/2020
Total	<u>500</u>	

Funds contributed and yields in the periods from January 1 to December 31, 2020 and 2019 were as follows:

	2020	2019	Accumulated (*)
Inflows - Exxon Mobil - AMDL	500	941	1,441
Yields	4	4	8
Total funds contributed	<u>504</u>	<u>945</u>	<u>1,449</u>

(*) The accumulated amount refers to the period from August 30, 2019 to December 31, 2020.

At December 31, 2020 and 2019, balances maintained in the project's bank checking accounts, including short-term investments, are as follows:

	2020	2019
Exxon Mobil Account - AMDL		
Banco do Brasil – CDB invest. c/24900-9	112	287
Total	<u>112</u>	<u>287</u>

3.10. Amazon Forest Fund

The Amazon Forest Fund Project aims to ensure the effective coordination and integration of the Amazon Forest Fund initiative across Brazil, by building a shared strategy both to face the impacts already felt by the 2019 forest fires, and to prepare for the 2020 forest fire season.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.10. Amazon Forest Fund (Continued)

In addition, the project will promote the sustainability and continuation of the results achieved through investments from the Amazon Forest Fund so far, leveraging these investments with new donors, both in Brazil and abroad. The contract in force since May 2020 provides for the execution of USD157,500 until October 2021.

Impact of COVID-19

In 2020, visits to projects supported by the Amazon Forest Fund were postponed due to the pandemic and rescheduled for 2021. In addition, only one of the supported projects completed its activities as planned. Certain projects continue to move forward, after a re-planning of activities in the context of the pandemic, while other projects needed greater support to carry out this re-planning.

In 2020, this project received funds amounting to R\$543 (R\$0 in 2019); investment yields totaled R\$3 (R\$0 in 2019); R\$295 (R\$0 in 2019) were executed; and the year was closed with a balance of approximately R\$247 (R\$0 in 2019).

Detailed information on cash inflows in checking account No. 24900-9 in Banco do Brasil, donated to the project in 2020, is as follows:

	Amount	Date of cash inflows in Bank
Amazon Forest Fund Accounts		
Inflows - Amazon Forest Fund	543	05/25/2020
Total	<u>543</u>	

Funds contributed and yields in the period from January 1 to December 31, 2020 were as follows:

	2020	2019	Accumulated (*)
Inflows - Amazon Forest Fund	543	-	543
Yields	3	-	3
Total funds contributed	<u>546</u>	-	<u>546</u>

(*) The accumulated amount refers to the period from May 25, 2020 to December 31, 2020.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.10. Amazon Forest Fund (Continued)

At December 31, 2020 and 2019, balances maintained in the project's bank checking accounts, including short-term investments, are as follows:

	2020	2019
Exxon Mobil Account - AMDL		
Banco do Brasil – CDB invest. c/24900-9	247	-
Total	<u>247</u>	<u>-</u>

3.11. Kayapó - Tradition and Future of Amazon

The project is supported by the Petrobras Social and Environmental Program and aims to contribute to the territorial and environmental management of TI Menkragnoti, promoting the maintenance of vegetation cover, carbon stock, biodiversity and the appreciation of knowledge of the Kayapó people (Mêbêngôkre).

Executed by Funbio in partnership with Conservation International of Brazil (CI-Brazil), Instituto Kabu (IK), Instituto Raoni (IR) and Associação Floresta Protegida (AFP), over a 2-year period.

In 2020, this project achieved the following results:

- Authorization to start activities in November 30, 2020;
- Receipt of the 1st Disbursement Portion, in the amount of R\$987;
- Adjustment and agreement of the project's actions in face of the COVID-19 pandemic;
- Alignment and detailing of actions with the partner institutions of the project;
- Booting of operational actions to fulfill contractual obligations.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.11. Kayapó - Tradition and Future of Amazon (Continued)

Impact of COVID-19

The initial activities of the TFA Project were significantly impacted as they aimed at intensive and continuous fieldwork with the priority public; several training workshops were planned for the first months of the proposal’s execution. In addition, FUNAI Administrative Ruling No. 419/PRES of March 17 prohibited entry into indigenous lands. The Administrative Ruling provides for an indefinite ban on the entry of civilians into indigenous lands, only the presence of people and institutions to carry out actions considered essential and aimed at food security and community health of the indigenous people were permitted.

In order to circumvent occasional risks of spread of COVID-19 as well as to ensure the execution of the activities contractually agreed with the donor, the project management together with the partner indigenous organizations started an adaptation process in the implementation strategy and schedule for the planned actions.

In 2020, this project received funds amounting to R\$987 (R\$0 in 2019); investment yields totaled R\$1 (R\$0 in 2019); there was no execution in both years; and 2020 was closed with a balance of approximately R\$988 (R\$0 in 2019).

Detailed information on cash inflows in checking account No. 25.590-4 in Banco do Brasil, donated to the project in 2020, is as follows:

	<u>Amount</u>	<u>Date of cash inflows in Bank</u>
Kayapó Accounts - Tradition and Future of Amazon		
Inflows - Kayapó - Tradition and Future of Amazon	<u>987</u>	12/10/2020
Total	<u>987</u>	

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial information on “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO” (Continued)

January 1 to December 31, 2020

(In thousands of reais - R\$, unless otherwise stated)

3. Significant information on certain projects managed by FUNBIO (Continued)

3.11. Kayapó - Tradition and Future of Amazon (Continued)

Funds contributed and yields in the period from January 1 to December 31, 2020 were as follows:

	2020	2019	Accumulated (*)
Inflows - Kayapó - Tradition and Future of Amazon	987	-	987
Yields	1	-	1
Total funds contributed	988	-	988

(*) The accumulated amount refers to the period from December 10, 2020 to December 31, 2020.

At December 31, 2020, balances maintained in the project's bank accounts, including short-term investments, are as follows:

	2020	2019
Kayapó Operational Account - Tradition and Future of Amazon		
Banco do Brasil - C/inv. CDB - 25590-4	988	-
Total	988	-



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Independent auditor’s report on compliance with the accounting and financial contractual provisions of “Certain Projects managed by Fundo Brasileiro para a Brasileiro - FUNBIO”

To the Management of
Fundo Brasileiro para a Biodiversidade - FUNBIO – “Certain Projects”
Rio de Janeiro - RJ

We have audited the financial information for the period from January 1 to December 31, 2020 of Certain Projects (the “Projects”) managed by Fundo Brasileiro para a Biodiversidade - FUNBIO (the “Institution”), funded by various sponsors, and issued our report thereon dated May 18, 2021.

Our audit was focused on checking whether the contractual clauses directly related to accounting and financial matters of the Donation Agreements entered into between the Institution and the sponsors are appropriately complied with.

We conducted our audit in accordance with International Standards on Auditing and the requirements set out in the Donation Agreements entered into between the Institution and the sponsors. These standards require that we plan and conduct the audit in order to obtain reasonable certainty that FUNBIO has complied with the covenants set out in the Donation Agreements. The audit includes review, on a test basis, of the evidence deemed appropriate by us. Accordingly, we believe that our audit provides a reasonable base for our opinion.

In our opinion, as at December 31, 2020, FUNBIO complied with, in all significant respects, the contractual clauses applicable, of an accounting and financial nature, of the Donation Agreements entered into between the Institution and the sponsors.

Rio de Janeiro, May 18, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Walter G. Neumayer
Accountant CRC-RJ091659/O-0



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Independent Auditor’s Report on the internal control structure of “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO”

To the Management of
Fundo Brasileiro para a Biodiversidade - FUNBIO - Certain Projects
Rio de Janeiro - RJ

This report supplements our report on the financial information on Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO.

Management of Fundo Brasileiro para a Biodiversidade - FUNBIO (the “Institution”), Executing Institution of Certain Projects (the “Projects”), is responsible for maintaining an internal control structure sufficient to mitigate the risks of significant misstatements in the financial information and protect the assets under custody of the Projects, including the areas constructed and other assets acquired. In order to fulfill this responsibility, management is required to make judgments and estimates to evaluate the expected benefits and costs relating to internal control policies and procedures. An internal control system is aimed at providing management with reasonable assurance, but not a guarantee, that the assets are protected against losses deriving from unauthorized use or disposal, that the transactions are performed in accordance with management authorization and that the agreement terms are appropriately recorded in order to allow the financial information to be fairly prepared. Due to the limitations inherent in any internal control system, errors or irregularities may occur and remain undetected. In addition, the projections of any future periods’ structure assessment are subject to the risk that the procedures may be inadequate due to changes in conditions, or that the efficiency of the design and operation of the policies and procedures may be impaired.

In planning and conducting our audit of the Projects’ financial information for the period from January 1 to December 31, 2020, we obtained an understanding of the internal control structure and assessed the risk of controls to determine our audit procedures, in order to express an opinion on the Projects’ financial information, but not to issue an opinion on the effectiveness of the internal control structure.

Our audit of Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO for the period from January 1 to December 31, 2020 identified no significant deficiencies in internal control design or operation which could, in our opinion, significantly affect FUNBIO’s ability to record, process, summarize and present financial information consistently with management affirmations in the statements of the funds received and disbursements made, as well as accumulated investments.



A significant deficiency is a condition in which the design or operation of one or more elements of the internal control structure does not reduce to a relatively low level the risk that errors or irregularities may occur in amounts that could be significant in relation to the Projects' financial information, and that could not be timely detected by FUNBIO employees in the ordinary course of their duties.

Our consideration on the internal control structure does not necessary expose all matters relating to this system that could be considered significant deficiencies and, as such, should not necessarily expose all conditions to be informed that could be considered significant deficiencies, in accordance with the prior definition.

Rio de Janeiro, May 18, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
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