



Bureau Veritas Certification

Brazil

Verification Report

Verification Climate Bonds Standard 3.0

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	Climate Bonds Initiative (CBI)		
	Bureau Veritas Certification		



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ATTACHMENTS:

. Green Bond Framework



1. INTRODUÇION

Bureau Veritas Certification Brazil (Bureau Veritas) was engaged by ECO SECURITIZADORA DE DIREITOS CREDITÓRIOS DO AGRONEGÓCIO S.A (Ecoagro), to conduct an independent verification ahead of the issuance of BRL R\$ 8,000,000.00 (eight million reais), for projects and assets to be used by S.I. TECNOLOGIA S.A (Umgrauemeio) according to the Climate Bonds Initiative (CBI) requirements of the Forestry Criteria of the Climate Bonds Standard V 3.0.

This assurance was conducted by a multidisciplinary staff with expertise in financial and non financial data.

ECOAGRO AND BUREAU VERITAS RESPONSIBILITIES

The collection, calculation and presentation of the data published in the report are ECOAGRO's management sole responsibility. Bureau Veritas Brasil is responsible for providing an independent opinion to the Stakeholders, pursuant to the scope of work defined in this report.

2. METHODOLOGY, LIMITATIONS AND EXCLUSIONS

The Assurance covered the following activities:

1. Interviews with the personnel responsible for the Bonds issuance and projects;
2. Review of documentary evidence provided by Umgrauemeio in relation to the Bonds issuance and projects;
3. Review of the projects against the CBI Taxonomy;
4. Review the projects against the CBI Forestry Criteria.

The level of verification adopted was Limited, according to the requirements of the ISAE 3000 Standard¹, which were incorporated to the internal assessment protocols of Bureau Veritas.

The scope of our work was limited to assurance over the allocation of bond proceeds and impact reporting as stated in Green Bonds Framework dated August 2021.

Excluded from the scope of this work was any assessment of information related to Projects and Assets outside the Green Bonds Framework.

¹ International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information.



SCOPE OF WORK

Verification was conducted against the Climate Bonds Standard (CBS), 3.0 and Forestry Criteria (FC), July 2020, using specifically the Criteria for Forestry.

➤ **Issuer of the bonds:**

ECO SECURITIZADORA DE DIREITOS CREDITÓRIOS DO AGRONEGÓCIO S.A., registered with the Comissão de Valores Mobiliários (“CVM”), address Avenida Pedroso de Morais, 1553, 3º andar – conjunto 32, Pinheiros, Cidade de São Paulo/SP, CNPJ nº 10.753.164/0001-43

➤ **Users of proceeds**

S.I. TECNOLOGIA S.A (Umgrauemeio), address Rua Helena Conci Gaspari, 110 – Jardim Campos Elísios – Jundiaí – São Paulo/SP, CNPJ/MF nº 26.513.479/0001-53.

Eligible projects:

Eligibility according to the forestry criteria:

1.4 Scope of the Forestry Criteria. These Criteria apply to assets and projects relating to:

- Forest conservation



1.5 Key elements to the Criteria

Demonstrate significant attention to climate risks and a clear plan for achieving a positive effect on operational resilience

2 Assets and Projects in Scope



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Eligible activity types	Example use of proceeds	Mitigation	Adaptation & resilience
Forest conservation - non-commercial forestry activities designed to maintain the existing forest habitat in both area and quality. Activities will range from minimal interventions to activemanagement and could include protection from deforestation risk, voluntary and mandatory set aside and active conservation efforts.	The cost of setting-up and maintaining protection measures (e.g. rangers and monitoring equipment). GIS analysis, satellite data collection and data analysis.		

OBS: A green circle indicates these use of proceeds, when fully described and documented, automatically meet the Criteria requirements, with no further disclosure or documentation required

The financial mechanism of this operation is a CRA - Agribusiness Receivables Certificates, in the total amount of BRL R\$ 8,000,000.00 (eight million reais), for a period of three years.

Financial data were verified in local currency (Reais).

VERIFICATION PERIOD

Verification was performed in August 2021.

DECLARATION OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas Certification is an independent professional services firm specializing in Quality, Environmental and Sustainability Management Systems, among other, with more than 186 years' experience in independent assessment.

Bureau Veritas has a quality management system that is certified by a third party, according to which policies and documented procedures are maintained for the compliance with ethic, professional and legal requirements.



BUREAU VERITAS CERTIFICATION

The assessment team has no links with Ecoagro and/or Umgrauemeio and the assessment is performed independently.

Bureau Veritas implemented and follows a Code of Ethics throughout its business, in order to assure that its staff preserve high ethical, integrity, objectivity, confidentiality and competence/ professional attitude standards in the performance of their activities.

At the end of the assessment, a detailed report was drawn up, ensuring traceability of the process. This Report is kept as a Bureau Veritas management system record.

3. VERIFICATION ACTIVITES

A	Process for Evaluation and Selection of Projects & Assets
B	Use of proceeds
C	Management of Proceeds
D	Reporting Prior to Issuance
E	Climate Bonds Taxonomy and eligibility criteria
F	Document Review and pending verification
G	Final Report
H	CBI submission
I	Adjustments (when applicable) and Report confirmation
J	End meeting

4. PLANNING

Planning	Verification Pre Issuance	Period	Auditor
Scope and Planning	Yes	August 2021	Alex Vervuurt
Desk top review technical and financial documents	Yes	August 2021	Alex Vervuurt
Framework, eligibility review and use of proceeds + legal compliance assessment.	Yes	August 2021	Alex Vervuurt
Framework, eligibility review and use of proceeds + legal compliance assessment.	Yes	August 2021	Claudia Stohler
Financial assessment	Yes	August 2021	Marlon Marabuto
Final review documentation and Pending verification	Yes	August 2021	Alex Vervuurt
Final review documentation and Pending verification	Yes	August 2021	Claudia Stohler
Draft report, review and final version EN	Yes	August 2021	Alex Vervuurt
Draft report, review and final version EN	Yes	August 2021	Claudia Stohler
Final report and pendings CBI	Yes	August 2021	Alex Vervuurt



5. PROJECT CHARACTERISTICS

Umgrauemeio was born in November 2016 under the name Sintecys, an old trade name, to serve the agricultural market, especially the sugarcane, paper and cellulose (pulp) sectors, and areas of native forest with a proprietary and innovative solution for automatic and early detection of fires in forests and plantation areas, through AI resources (artificial Intelligence), Machine Learning and satellite data.

As it is known, in the case of fires, the longer the detection time, the more difficult and costly the combat and the consequent damage, so that the sooner a forest fire is detected, the less effort will be required to fight it, and in this sense **Umgrauemeio** brought to the market a solution that reduced the detection time by many hours (sometimes more than 48 hours given the continental size of Brazil) for just 3 minutes (in the case of the use of cameras), so we proudly state that no **Umgrauemeio** customer has suffered even an environmental fine after implementing the solution. Alternatively, the company also uses satellite fire detection in combination with cameras, depending on the infrastructure conditions, size of the area and fire risk scenarios.

Added to this, an extremely important factor is the fact that CO₂ emissions from forest fires are among the top 3 emissions in Brazil, even overcoming deforestation and the agro sector, so that reducing the area burned will bring a significant reduction in carbon emissions.

Currently the company has 3 million hectares of planting areas under monitoring in its system and more than 1.2 million native areas, which are the object of this bond issuance, distributed in 10 states from North to South of Brazil.

The result and efficiency of the **umgrauemeio** solution reduced losses of more than 40% compared to the previous year, due to its effective capacity for early fire detection, precisely indicating the location of the outbreak, facilitating and allowing quick access to the fire brigades in the early stages of the outbreak, preventing an outbreak from becoming an effective fire of large proportions.

ABOUT THE FINANCIAL OPERATION AND THE USE OF PROCEEDS

The CRA will be issued by Ecoagro for a period of 3 years (36 months).

The use of proceeds is detailed below:



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Resource allocation	Native areas (ha)	Maintenance	Active Hardware	%
Active – in operation	1.451.744	R\$ 447.996	R\$ 2.073.920	32%
New projects (including Pantanal)	3.153.519(*)	R\$ 973.085	4.505.027	68%
TOTAL	4.605.263 (*)	R\$ 1.421.052	R\$ 6.578.947	R\$ 8.000.000

(*) estimated number of hectares , still pending technical validation.

The Active – in operation value (32% of the proceeds) are being refinanced through this CRA operation and refer to debts that were made to invest in fire monitoring assets between March 2018 and April 2021. None of those financial operations were labeled as Green Bonds.

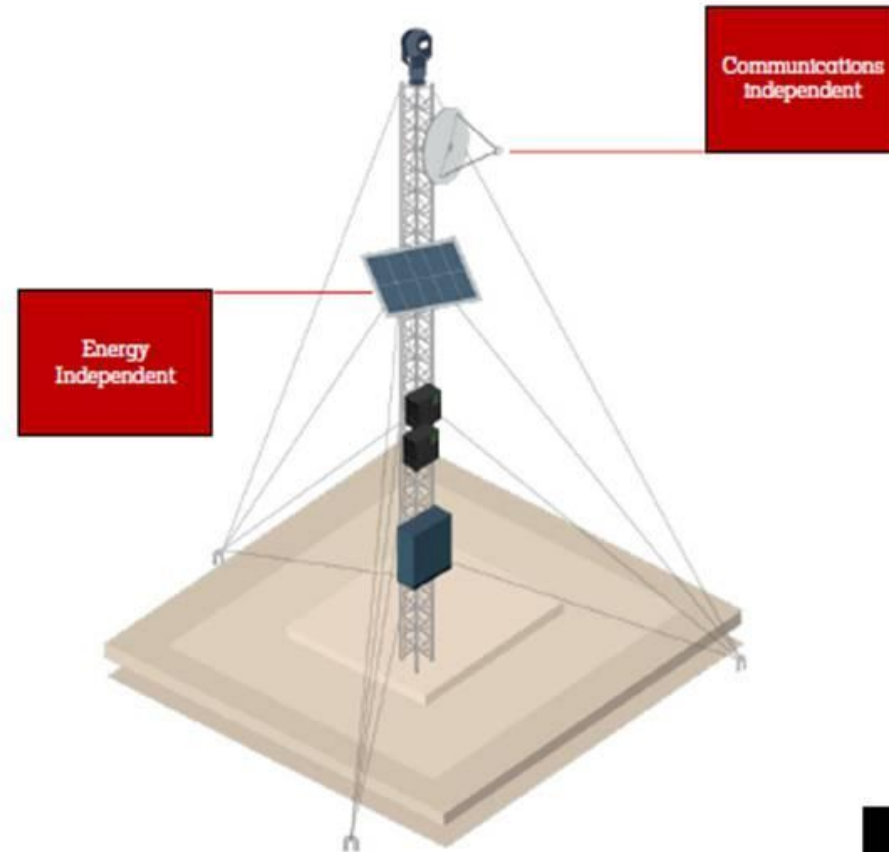
Below (figures 1/2/3/4) it is possible to understand the equipment and system used by Umgrauemeio.

Detection System (hardware)

High-resolution cameras installed on the top of communication towers.

Each tower covers 15 km of a radius (70.000ha) with the automatic detection.

Communications and Energy independent (solar energy)



Triangulation

The camera is positioned in the fire outbreak direction and by triangulation, the exact location is pointed out.

4



15°C

Situation Room

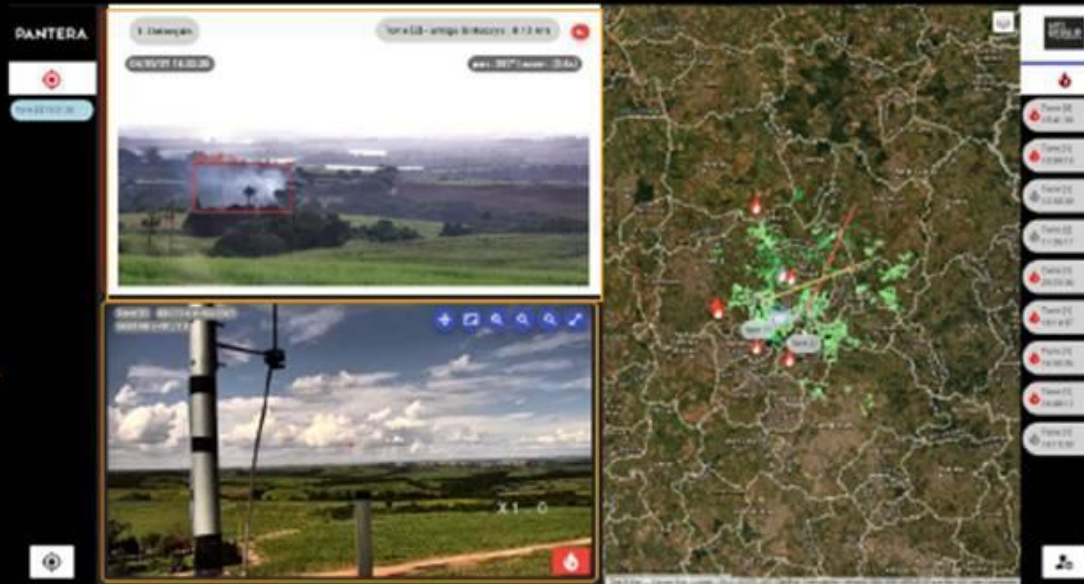
The integrated situation room provides data in real-time for ground operations.

It provides safety, ergonomics, more efficiency, command, and control.



A.I Detection Software & Fire Management

Artificial intelligence algorithms detect fire outbreaks within 3 minutes. Point out the precise fire outbreak location within 3 minutes



15°C



MANAGEMENT OF PROCEEDS

The proceeds, object of this issuance, will be placed in the company's treasury and managed by the financial department, which has a tracking system that can be consulted and audited at any time.

As long as the funds are available in cash, under the administration of the company's financial department, they will be invested in low-risk investments, the same rule being applied in case the value of the Green Investment is lower than the total value of the issuance of the bond.

The allocation of proceeds will be reviewed every six months by Umgrauemeio's management and will be subject to the company's annual internal audit, and an independent third party audit may also be engaged to ensure compliance with the allocation of proceeds. The allocation will always be in accordance with the Eligibility Criteria stated herein.

REPORTING

Umgrauemeio will provide its capital providers with information about the projects covered by the green bonds in a dedicated report, to be made available annually by the company (via **Umgrauemeio** and Ecoagro websites).

During and also after the use of proceeds, the company is committed to provide information on proceeds allocation at any time, and may even, for verification of compliance, rely on second-party opinion services, if necessary.

The allocation report will include: (i) the number of projects; (ii) the average value; (iii) number of hectares of monitored native areas (iv) the value of unallocated proceeds and (v) environmental impact of the solution.

Any and all relevant information will be observed in light of current legislation, with respect to confidentiality agreements entered into.

Umgrauemeio will submit its certified projects to a post-issuance certification by the Climate Bonds Initiative to guarantee the correct and adequate use of the allocation of proceeds, its projects and assets, to be completed within 24 months after the issuance of the bond.

As is known, there is still no valid methodology for the correct measurement of emissions from forest fires, in order to guarantee the verification and validation of such data by international bodies. This involves resources in R&D, including, but not limited to, field research for future application with VERRA in order to transform reduced emissions from avoided fires into carbon credits in the voluntary market.



6. OUR FINDINGS

We performed this verification in August 2021.

During our verification against the Bond Issuance criteria, we concluded that the Umgrauemeio Green Framework meets the requirements of the CBS, as can be evidenced in the pre-issuance check-list, under chapter 8.

According to the CBI Taxonomy the Assets fall under the Forestry Criteria, July 2020:

- Forest Conservation, under the following eligible activity type:
 - ✓ Non-commercial forestry activities designed to maintain the existing forest habitat in both area and quality. Activities will range from minimal interventions to active management and could include protection from deforestation risk, voluntary and mandatory set aside and active conservation efforts.
 - ✓ Use of proceeds: The cost of setting-up and maintaining protection measures (e.g. rangers and monitoring equipment). GIS analysis, satellite data collection and data analysis.

Eligible activity types	Example use of proceeds	Mitigation	Adaptation & resilience
Forest conservation - non-commercial forestry activities designed to maintain the existing forest habitat in both area and quality. Activities will range from minimal interventions to activemanagement and could include protection from deforestation risk, voluntary and mandatory set aside and active conservation efforts.	The cost of setting-up and maintaining protection measures (e.g. rangers and monitoring equipment). GIS analysis, satellite data collection and data analysis.		

OBS: A green circle indicates these use of proceeds, when fully described and documented, automatically meet the Criteria requirements, with no further disclosure or documentation required

Regarding the legal compliance verification we clarify that the forest assets are not owned by Umgrauemeio, so it was not necessary to verify compliance with the legal requirements associated with the monitored areas. It is also important to explain that the green bonds proceeds are addressed to monitor natural areas, as shown in chapter 5, under Use of Proceeds. The use of technologie, such as cameras and satellites for fire monitoring purposes, does not fall under Brazilian environmental licensing scope.



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We evidenced the approval of areas where Umgrauemeio will instal 11 cameras regarding the Pantanal project. An important part of this project will be monitored by satellites.

Regarding the debts that are described in Umgrauemeio Green framework, under the use of proceeds, and represent 32% of the issuance, we have assessed the Income Statement for the Year 2020 to confirm the consistency of financial data. In our opinion the debt refinancing falls under the CBI eligibility criteria and is able to be certified together with the new projects.

According to the CBS, Post-Issuance Certification must be undertaken within 24 months of the date of financial close for the bond, loan or other debt instruments.

7. CONCLUSION

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that would indicate that the Green Bonds allocation and its associated projects/assets, summarized in Umgrauemeio Green Bonds Framework, does not meet the Climate Bonds Standard, 3.0 and the Forestry Criteria issued in July 2020.

In our opinion Ecoagro may register its Bond with the Climate Bond Standards Board, and therefore has the right to use the Climate Bond Certification Mark in association with the relevant Bond (but no others) for the duration of the Bond term, provided that the Bond remains Climate Bond Standard compliant.

CONTACT

Bureau Veritas Certification is available for further clarification on www.bureauveritascertification.com.br/faleconosco.asp or by telephone (55 11) 2655-9000.

São Paulo, Brazil, August 2021

Alexander Vervuurt

Lead auditor

Bureau Veritas Certification – Brasil

8. PRE ISSUANDE VERIFICATION CHECK LIST

Pre underwritten CBS	FINDINGS	Requirement Met?
<p>1.1 The Issuer shall document the Nominated Projects & Assets which are proposed to be associated with the Bond and which have been surveyed as likely to be Eligible Projects & Assets. The Issuer shall establish a list of Nominated Projects & Assets which can be kept UpToDate during the term of the Bond.</p>	<p>The Bond to be issued under this Green Bond Framework is in line with the Climate Bonds Standard Version 3.0 and is covered by the Forestry Criteria. Resources for eligible use for the project: "Proprietary and innovative solution for automatic and early detection of fires in forests and plantation areas, through AI (Artificial Intelligence) Machine Learning and satellite data resources".</p> <p>According to the CBI Taxonomy the Assets fall under the Forestry Criteria, July 2020:</p> <ul style="list-style-type: none"> ▶ Forest Conservation, under the following eligible activity type: <ul style="list-style-type: none"> → Non-commercial forestry activities designed to maintain the existing forest habitat in both area and quality. Activities will range from minimal interventions to active management and could include protection from deforestation risk, voluntary and mandatory set aside and active conservation efforts. → Use of proceeds: The cost of setting-up and maintaining protection measures (e.g. rangers and monitoring equipment). GIS analysis, satellite data collection and data analysis. The nominated projects are described in Umgrauemeio Green Framework. <p>Mitigation: green circle Adaptation and resilience: green circle</p> <p>NOTE: A green circle indicates the use of these features, when fully described and documented, they automatically meet the requirements of the Criteria, with no need for further disclosure or documentation.</p>	<p>YES</p>
<p>Legal requirements assessment</p>	<p>Regarding the legal compliance verification we clarify that the forest assets are not owned by Umgrauemeio, so it was not necessary to verify compliance with the legal requirements associated with the monitored areas. It is also important to explain that the green bonds proceeds are addressed to monitor natural areas, as shown in chapter 5, under Use of Proceeds. The use of technologie, such as cameras and satellites for fire monitoring purposes, does not fall under Brazilian environmental licensing scope.</p> <p>We evidenced the following Umgrauemeio documents:</p> <ul style="list-style-type: none"> ▶ Social Bylaws 04/09/2020; ▶ Income Statement for the Year 2020, ▶ Minutes of Extraordinary General Meeting 05/10/2021. 	<p>YES</p>



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Pre underwritten CBS	FINDINGS	Requirement Met?
<p>1.2. The expected Net Proceeds of the Bond shall be no greater than the Issuer's total investment exposure to the proposed Nominated Projects & Assets, or the relevant proportion of the total Market Value of the proposed Nominated Projects & Assets which are owned or funded by the Issuer.</p>	<p>The Bond's net proceeds are R\$ 8,000,000.00 (eight million reais), where: 32% of the value will be for refinancing of assets and 68% for investments in new projects, aiming to expand within a period of 24 months, 100% of the monitored native areas, today in 1.2 million hectares</p>	<p>YES</p>
<p>1.3 Nominated Projects & Assets shall not be nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labeled instruments (such as social bonds or SDG bonds) unless it is demonstrated by the Issuer that :</p>	<p>NA - First issuance of green bonds.</p>	<p>YES</p>
<p>1.3.1 Distinct portions of the Nominated Projects & Assets are being funded by different Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bond, green loans or other labeled instruments or;</p>	<p>NA - First issuance of green bonds.</p>	<p>YES</p>
<p>1.3.2 The existing Certified Climate Bond, Certified Climate Loan or Certified Climate Debt Instrument is being refinanced via another Certified Climate Bond, Certified Climate Loan or Certified Climate Debt Instrument.</p>	<p>NA - First issuance of green bonds.</p>	<p>YES</p>



Pre underwritten CBS	FINDINGS	Requirement Met?
<p>2.1. The Issuer shall establish, document and maintain the decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets. The decision-making process shall include, without limitation:</p>		
<p>2.1.1. A statement on the climate-related objectives of the Bond.</p>	<p>The company's "raison d'être" is 100% dedicated to environmental protection, which is its sole object of work, developing and offering the market intelligence tools for early detection of forest fire outbreaks, so that 100% of its projects are dedicated to the protection of the environment in accordance with their bylaws.</p>	<p>YES</p>
<p>2.1.2 How the climate-related objectives of the Bond are positioned within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability.</p>	<p>Umgrauemeio shows that it focuses efforts to increasingly expand and improve the level and efficiency of its solution, measuring emissions from forest fires, seeking scale to increase native areas monitored and their consequent reduction in CO2 emissions.</p> <p>In this process, Umgrauemeio has the sole purpose of its activity to combat climate change, reducing CO2 emissions through an early detection system of forest fires, assuming here its climate and environmental commitment.</p> <p>Currently, the company has 3 million hectares of planting areas under monitoring in its system and more than 1.2 million native areas, which are the object of this issue, distributed in 10 states from North to South of Brazil.</p>	<p>YES</p>
<p>2.1.3 Issuer's rationale for issuing the Bond.</p>	<p>Umgraemeio projects are approved by a committee composed of the Heads of each area (Financial, Development, Operations, Compliance, Impact and CEO), with minimum margins being pre-approved that guarantee and meet the company's purpose and that are financially viable.</p> <p>Its CEO, Rogerio Cavalcante, was on the 2020 global list of the 100 global leaders that combine profit and purpose (https://meaningful.business/mb100-2020/), elected by the Um Só Plante project (globe publishing house) among the 5 climate innovators, and is included in Época Negócios Magazine's list of 100 climate innovators in the April 2021 edition.</p>	<p>YES</p>



Pre underwritten CBS	FINDINGS	Requirement Met?
<p>2.1.4 The process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part C of the Climate Bonds Standard.</p>	<p>The Bond issued under this Green Bond Framework is in line with the Climate Bonds Standard Version 3.0 and is covered by the Forestry Criteria. Resources for eligible use for the project: "Proprietary and innovative solution for automatic and early detection of fires in forests and plantation areas, through AI (Artificial Intelligence) Machine Learning and satellite data resources".</p> <p>According to the CBI Taxonomy the Assets fall under the Forestry Criteria, July 2020: ► Forest Conservation, under the following eligible activity type: → Non-commercial forestry activities designed to maintain the existing forest habitat in both area and quality. Activities will range from minimal interventions to active management and could include protection from deforestation risk, voluntary and mandatory set aside and active conservation efforts. → Use of proceeds: The cost of setting-up and maintaining protection measures (e.g. rangers and monitoring equipment). GIS analysis, satellite data collection and data analysis Mitigation: green circle Adaptation and resilience: green circle</p> <p>NOTE: A green circle indicates the use of these features, when fully described and documented, they automatically meet the requirements of the Criteria, with no need for further disclosure or documentation.</p>	<p>YES</p>
<p>2.2 Issuer should include under Clause 2.1 Further aspects of the decision-making process, including:</p>		
<p>2.2.1 Related eligibility criteria, including, if applicable, exclusion criteria or any other process, applied to identify and manage potentially material environmental, social or governance associated with the Nominated Projects & Assets.</p>	<p>Planted monitored areas (commercial areas) were excluded from the eligible projects.</p>	<p>YES</p>



Pre underwritten CBS	FINDINGS	Requirement Met?
<p>2.2.2 Green standards or certifications referenced in the selection of Nominated Projects & Assets(When applicable)</p>	<ul style="list-style-type: none"> ▶ In 2020 the company joined the UN Global Compact as signatories delivering our first COP (communication of progress) in 2021; ▶ The company was evaluated by the Don Cabral Foundation; ▶ Before the "brand transition" of Sintecsys to a middle degree, they were cited in the BNEF Pioneers (Bloomberg) paper - Understanding and Monitoring our Changing Planet 2021 ; ▶The company was named in StartUs Insights as one of the top 5 tropical forest restoration solutions in the world. The only one mentioned in Latin America ▶The company started the validation and verification process for entry into System B, committing to obtain it within the next 12 months after issuance of the title 	<p>YES</p>
<p>2.2.3 The issuer shall assess that all proposed Nominated Projects & Assets to be associated with the Bond meet the documented objectives as stated under Clause 2.1.1 and are likely to comply with the relevant eligibility requirements under Part C of the Climate Bonds Standard.</p>	<p>The company's "raison d'être" is 100% dedicated to environmental protection, which is its sole object of work, developing and offering the market intelligence tools for early detection of forest fire outbreaks, so that 100% of its projects are dedicated to the protection of the environment in accordance with their bylaws.</p> <p>the company focuses its efforts to increasingly expand and improve the level and efficiency of its solution, measuring emissions from forest fires, seeking scale to increase native areas monitored and their consequent reduction in CO2 emissions.</p> <p>In this process, Umgrauemeio has the sole purpose of its activity to combat climate change, reducing CO2 emissions through an early detection system of forest fires, assuming here its climate and environmental commitment.</p> <p>Currently, the company has 3 million hectares of planted areas under monitoring in its system and more than 1.2 million native areas, which are the object of this issue, distributed in 10 states from North to South of Brazil.</p>	<p>YES</p>



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Pre underwritten CBS	FINDINGS	Requirement Met?
<p>3.1 The systems, policies and processes to be used for management of the Net Procedures shall be ed by the Issuer and document to the Verifier, and shall include arrangements for the following activities:</p>		
<p>3.1.1 The Net Proceeds of the Bond can be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and documented</p>	<p>The proceeds, object of this issuance, will be placed in the company's treasury and managed by the financial department, which has a tracking system that can be consulted and audited at any time.</p> <p>The Bond's net proceeds are R\$ 8,000,000.00 (eight million reais), where: 32% of the value will be for refinancing of assets and 68% for investments in new projects, aiming to expand within a period of 24 months, 100% of the monitored native areas, today in 1.2 million hectares</p> <p>Additional Evidences:</p> <p>2020 Balance Sheet, Net Fixed Assets amounting to R\$3.4M, the acquisition of these assets were made through loans that will be settled with CRA.</p> <p>Income Statement for the Year 2020 Operation Costs amounting to R\$ 576k, which will be paid with the CRA.</p>	<p>YES</p>
<p>3.1.2 The balance of unallocated Net Procedures can be managed as per the requirements in Clause 7.3.</p>	<p>As long as the funds are available in cash, under the administration of the company's financial department, they will be invested in low-risk investments, the same rule being applied in case the value of the Green Investment is lower than the total value of the issuance of the bond.</p>	<p>YES</p>
<p>3.1.3 The earmarking process can be used to manage and account for funding the Nominated Projects & Assets and enable estimation of the share of the Net Proceeds being used for financing and refinancing.</p>	<p>The allocation of proceeds will be reviewed every six months by Umgrauemeio's management and will be subject to the company's annual internal audit, and an independent third party audit may also be engaged to ensure compliance with the allocation of proceeds. The allocation will always be in accordance with the Eligibility Criteria stated herein.</p>	<p>YES</p>

Pre underwritten CBS	FINDINGS	Requirement Met?
<p>4.1 The Issuer shall prepare the Green Bond Framework and make it publicly available prior to Issuance or at the time of Issuance. The Green Bond Framework shall include, without limitation:</p>		
<p>4.1.1 Confirmation that the Bonds issued under the Green Bond Framework are aligned with the Climate Bonds Standard. This may include statements of alignment with other applicable standards, such as the EU Green Bond Standard, the ASEAN Green Bond Standard, the Chinese domestic regulations, the Japanese Green Bond Guidelines, etc.</p>	<p>The Bond issued under this Green Bond Framework is in line with the Climate Bonds Standard Version 3.0 and is covered by the Forestry Criteria. Resources for eligible use for the project: "Proprietary and innovative solution for automatic and early detection of fires in forests and plantation areas, through AI (Artificial Intelligence) Machine Learning and satellite data resources".</p> <p>According to the CBI Taxonomy the Assets fall under the Forestry Criteria, July 2020: ► Forest Conservation, under the following eligible activity type: → Non-commercial forestry activities designed to maintain the existing forest habitat in both area and quality. Activities will range from minimal interventions to active management and could include protection from deforestation risk, voluntary and mandatory set aside and active conservation efforts. → Use of proceeds: The cost of setting-up and maintaining protection measures (e.g. rangers and monitoring equipment). GIS analysis, satellite data collection and data analysis Mitigation: green circle Adaptation and resilience: green circle</p> <p>NOTE: A green circle indicates the use of these features, when fully described and documented, they automatically meet the requirements of the Criteria, with no need for further disclosure or documentation.</p>	<p>YES</p>
<p>4.1.2 The summary of the expected use of proceeds, as defined under Clause 1.1, and the expected contribution of the relevant sectors or sub-sectors to the rapid transition required to achieve the goals of the Paris Climate Agreement.</p>	<p>The Bond's net proceeds are R\$ 8,000,000.00 (eight million reais), where: 32% of the value will be for refinancing of assets and 68% for investments in new projects, aiming to expand within a period of 24 months, 100% of the monitored native areas, today in 1.2 million hectares</p>	<p>YES</p>
<p>4.1.3 The description of the decision-making process, as defined under Clause 2.1, with particular reference to the requirements in Clause 2.1.2.</p>	<p>The company focuses its efforts to increasingly expand and improve the level and efficiency of its solution, measuring emissions from forest fires, seeking scale to increase native areas monitored and their consequent reduction in CO2 emissions.</p> <p>In this process, Umgrauemeio has the sole purpose of its activity to combat climate change, reducing CO2 emissions through an early detection system of forest fires, assuming here its climate and environmental commitment.</p>	<p>YES</p>



Pre underwritten CBS	FINDINGS	Requirement Met?
<p>continuation</p>	<p>Currently, the company has 3 million hectares of planted areas under monitoring in its system and more than 1.2 million native areas, which are the object of this issue, distributed in 10 states from North to South of Brazil.</p> <p>Umgraemeio projects are approved by a committee composed of the Heads of each area (Financial, Development, Operations, Compliance, Impact and CEO), with minimum margins being pre-approved that guarantee and meet the company's purpose and that are financially viable.</p> <p>Its CEO, Rogerio Cavalcante, was on the 2020 global list of the 100 global leaders that combine profit and purpose (https://meaningful.business/mb100-2020/), elected by the Um Só Plante project (globe publishing house) among the 5 climate innovators, and is included in Época Negócios Magazine's list of 100 climate innovators in the April 2021 edition.</p>	<p style="background-color: #00b050; color: white; text-align: center;">YES</p>
<p>4.1.4 on the methodology and assumptions to be used for: confirming, where required by the relevant Sector Eligibility Criteria, the characteristics or performance of Nominated Projects & Assets required to conform to the relevant eligibility requirements under Part C of the Climate Bonds Standard; and any other additional impact metrics that the issuer will define.</p>	<p>The purpose of umgrauemeio is to offer a technological solution for mitigating forest and agricultural fires, which directly impact the worsening of the climate crisis. It is at the heart of our performance to adhere direct to ODS - ODS 13, ODS 15, ODS 3, ODS 8 and indirect ODS 9, ODS4, ODS 6, ODS 12. Our efforts as a solution would be useless if we do not put our suppliers to the test and their value chains.</p> <p>Implementation</p> <p>► The Solution offers reductions in fire losses of around 40% for its customers. The detection of fire outbreaks that were previously noticed hours after its onset dropped to 3 minutes and by offering the exact location of the outbreak with landscape and ground cover characteristics, the fire brigades' efficiency grew 50%, avoiding combat risks when the focus turns into a fire of great proportions.</p> <p>By avoiding these large fires, communities that suffer from serious respiratory problems caused by the large amount of smoke they breathe.</p> <p>Measurement of Results</p> <p>Description of how the company monitors and assesses its environmental performance Through satellite images, it is possible to determine the historical baseline burned in a given region, and from 12 months after the implementation of the system, a new analysis is carried out, converting the burned area into CO2 emissions.</p> <p>Our solution has been validated by the Dom Cabral Foundation's Innovation Latam and the Sustainary Group in Denmark as a proven impact solution.</p>	<p style="background-color: #00b050; color: white; text-align: center;">YES</p>



Pre underwritten CBS	FINDINGS	Requirement Met?
continuation	NOTE: As is known, there is still no valid methodology for the correct measurement of emissions from forest fires, in order to guarantee the verification and validation of such data by international bodies. This involves resources in R&D, including, but not limited to, field research for future application with VERRA in order to transform reduced emissions from avoided fires into carbon credits in the voluntary market.	
4.1.5 A summary of the approach to the management of unallocated Net Proceeds in accordance with Clause 3.1.	<p>The proceeds, object of this issuance, will be placed in the company's treasury and managed by the financial department, which has a tracking system, that can be consulted and audited at any time or time.</p> <p>As long as the funds are available in cash under the administration of the company's financial department, they will be invested in low-risk investments, the same rule being applied in case the value of the Green Investment is lower than the total value of the issuance of the bond.</p> <p>The allocation of resources used will be reviewed every six months by management and will be subject to the company's annual internal audit, and an independent third party audit may also be available for assurance and any proof of compliance with the allocation of resources in accordance with the Eligibility Criteria here declared.</p>	YES
4.1.6 The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding.	<p>Umgrauemeio will provide its capital providers with information about the projects covered by the green bonds in a dedicated report, to be made available annually by the company (via Umgrauemeio and Ecoagro websites).</p> <p>The allocation report will include: (i) the number of projects; (ii) the average value; (iii) number of hectares of monitored native areas (iv) the value of unallocated proceeds and (v) environmental impact of the solution.</p> <p>Umgrauemeio will submit its certified projects to a post-issuance certification by the Climate Bonds Initiative to guarantee the correct and adequate use of the allocation of proceeds, its projects and assets, to be completed within 24 months after the issuance of the bond.</p>	YES

Pre underwritten CBS	FINDINGS	Requirement Met?
<p>4.1.7 The list of proposed Nominated Projects & Assets associated with the Bond and the investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall. Where there are limits on the amount of detail that can be made available on the specific Nominated Projects & Assets, information shall be presented on the investment areas which the Nominated Projects & Assets fall into, provided in Clause 9.1, and the Issuer shall provide an explanation of why details on Nominated Projects & Assets is limited.</p>	<p>The Bond issued under this Green Bond Framework is in line with the Climate Bonds Standard Version 3.0 and is covered by the Forestry Criteria. Resources for eligible use for the project: "Proprietary and innovative solution for automatic and early detection of fires in forests and plantation areas, through AI (Artificial Intelligence) Machine Learning and satellite data resources".</p> <p>According to the CBI Taxonomy the Assets fall under the Forestry Criteria, July 2020: ▶ Forest Conservation, under the following eligible activity type: → Non-commercial forestry activities designed to maintain the existing forest habitat in both area and quality. Activities will range from minimal interventions to active management and could include protection from deforestation risk, voluntary and mandatory set aside and active conservation efforts. → Use of proceeds: The cost of setting-up and maintaining protection measures (e.g. rangers and monitoring equipment). GIS analysis, satellite data collection and data analysis Mitigation: green circle Adaptation and resilience: green circle</p> <p>NOTE: A green circle indicates the use of these features, when fully described and documented, they automatically meet the requirements of the Criteria, with no need for further disclosure or documentation.</p>	<p>YES</p>
<p>4.1.8 Where a proportion of the Net Proceeds are used for refinancing, an estimate of the share of the Net Proceeds used for financing and refinancing, and the relevant Nominated Projects & Assets or investment areas which may be refinanced. This may also include the expected look-back period for refinanced Nominated Projects & Assets.</p>	<p>32% of the proceeds will be used to refinance assets; 68% of the proceeds will be used to new projects.</p> <p>Additional evidences:</p> <p>2020 Balance Sheet, Net Fixed Assets amounting to R\$3.4M, the acquisition of these assets were made through loans that will be settled with CRA.</p> <p>Income Statement for the Year 2020 Operation Costs amounting to R\$ 576k, which will be paid with the CRA.</p>	<p>YES</p>