

REDE DE PROTEÇÃO E CONSERVAÇÃO DA SERRA DO AMOLAR

AMOLAR NETWORK 2019 REPORT



Rede de Proteção
e Conservação
da Serra do Amolar



INSTITUTO HOMEM
PANTANEIRO

Foto: Andre Zumak

Jabiru
Jabiru mycteria



Foto: Andre Zumak

Jaguar
Panthera onca

GENERAL TREATY ON THE GREATNESS OF THE UNDERMOST

Poetry is stored in words – that's all I know.
My doom is that I don't know almost everything.
About nothing I have depths.
I have no connections with reality.
Powerful to me is not the one who discovers gold.
For me powerful is the one who discovers the insignificances
(of the world and ours).
For this little sentence they praised me as an imbecile.
I was thrilled.
I am weak for praise.

– Manoel de Barros





Letter from IHP

2019 – A year marked by the discovery of our essence, our purpose: “Nature Producers.”

The arrival of conservationist Ignacio Gimenes in our field, as a consultant, has allowed for an important institutional maturation and, due to a new discourse, also to justify the reason for the “protected areas”.

The “Alto Pantanal” project gave the team a new challenge, expanding our action limits to a territory of 1 million hectares, composed of numerous preservation areas, farms, inns and, significantly, the Sesc Pantanal Reserves. As a marketing strategy, we have gained more visibility and recognition for our efforts.

Our maintenance routines were strictly followed and fire has been aggressively present throughout the Pantanal. Thanks to the history of preventive actions, it was only in November that we were hit on a low scale.

Legal discussions have changed the uses in the buffer zone of the Pantanal Matogrossense National Park, allowing commercial fishing for the riverside community. A measure that begins to touch the essence of the reproductive cell. Certainly, if handled incorrectly, it poses a risk to our nursery.

We have invested heavily in institutional dialogues and in getting closer to important stakeholders, such as students, investors, rural landowners, spring owners and, in a prominent way, the Ministry of the Environment. The provision of services with a focus on conservation and production has allowed us to get closer to the Pantanal inhabitants, renewing our motivation and essence.

We continue with sustainable activities thanks to partners and allies, such as the Environmental Military Police, ensuring the State’s presence in the Pantanal. It is worth mentioning the entry of Associação Onçafari as a partner member of the Amolar Network and the support of Sesc Nacional, which significantly reinforces our project.

Increasingly, our efforts to protect biodiversity are recognized as necessary to guarantee our future. And we continue working, promoting and being an example, as “nature producers.”

Ângelo Paccelli Cipriano Rabelo – Cel QOPM RR
Institutional Relations





Rede de Proteção
e Conservação
da Serra do Amolar

Member Partners

Parque Nacional do Pantanal Matogrossense
Fundação Ecotrópica
Instituto Homem Pantaneiro
Associação Onçafari
Fazenda Santa Tereza
Acaia Pantanal

Supporting Partners

ICMBio – Instituto Chico Mendes MMA
2ª Companhia de Polícia Militar Ambiental
Fundação Panthera
IBAMA
Fundação Grupo Boticário
CNRPPN – Confederação Nacional dos Proprietários de
Reservas Particulares do Patrimônio Natural
Agrotools
ISA – CTEEP
Sesc

Investment Partners

Group of Individual Investors



AMOLAR NETWORK

1. Region
2. Nature
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OUTCOMES

1. Amolar Network
2. Agents

MANAGEMENT

Independent Auditor's Report & Financial Statements

AMOLAR NETWORK



Foto: Andre Zumak

Common water hyacinth
Eichhornia crassipes

1. Region

Serra do Amolar and its surroundings start at 100km from the urban part of Corumbá, state of Mato Grosso do Sul (MS) and extend through 80km to southeast-northwest direction, reaching the border with the state of Mato Grosso (MT).



AMOLAR NETWORK

2. Nature

National and international institutions have acknowledged the importance of conserving Serra do Amolar at a global level.



For its incredible biodiversity, Brazil's Ministério do Meio Ambiente ("Ministry of Environment") qualifies the region as an **"Extremely High Priority" conservation site.**



Due to its water potential, the Pantanal Matogrossense National Park – neighboring Serra do Amolar – is considered a **Wetland of International Importance** by the **Ramsar Convention** as one of the wetlands that must be preserved worldwide.

All the Pantanal site is qualified by UNESCO as a **Biosphere Reserve.**



Since 2000, the Protected Sites Complex of the Pantanal (Pantanal National Park, Acurizal Reserves, Penha, Dorochê and Rumão ao Oeste) carries the title of **World Heritage Site**, also granted by UNESCO.

Toco toucan
Ramphastos toco

Foto: Andre Zumak



AMOLAR NETWORK

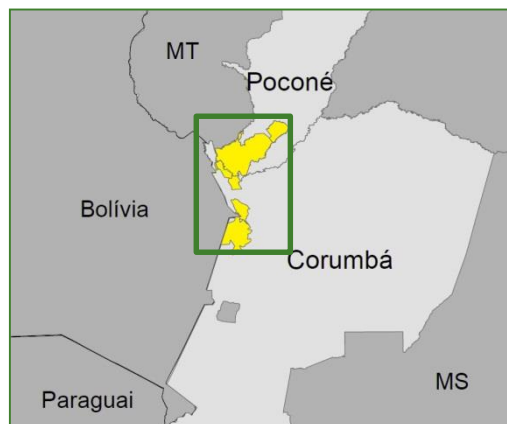
3. Socioeconomic context

The local population is comprised of around 70 families. The major part of them has an average monthly income of up to half a national minimum wage and lives in homes with two rooms only, located in federal owned lands.

Nearly 90% of riverside population is concentrated in **Barra do São Lourenço (1)** and **Paraguai-Mirim (3)** surroundings. The remaining 10% are spread in between these two communities, such as **Amolar (2)** and **Aterro do Binega (4)**.

There are three schools working in the region:

- 🏠 **Escola Municipal Rural Pólo Barra do São Lourenço**, at Barra do São Lourenço.
- 🏠 **Escola Municipal Rural Pólo Paraguai-Mirim**, at the central Paraguai-Mirim.
- └ 🏠 **Escola Municipal Rural Extensão Jatobazinho**, at the extreme south of Paraguai-Mirim.



AMOLAR NETWORK

4. History

In 2008, institutions from the private, public and non-profit sectors came together in order to jointly act on the protection of Serra do Amolar.

The efforts for preserving biodiversity require the availability of large areas where wildlife corridors can grow and house as many animal and plant species as possible.

In 2005, **MMX** (mining company from **Grupo EBX**) acquired two properties in the southwest of Pantanal Matogrossense National Park, which later became **Private Natural Heritage Reserve (RPPN) Engenheiro Eliezer Batista (EEB)**, under the management of the non-profit **Instituto Homem Pantaneiro (IHP)**.

Right to the south of this reserve lies **Fazenda Santa Tereza**, bought in that same year by Teresa Bracher, whose main purpose was to watch over the area. After getting in touch with the reality of local communities and making an assessment on the major problems, Teresa founded **Acaia Pantanal**, a non-profit dedicated to acting on the social-educational context.

Alongside these agents, there joined **Fundação Ecotrópica**, owner of **Acurizal, Penha, Rumo ao Oeste** and **Dorochê** northern RPPNs, and also **Pantanal Matogrossense National Park**. Together, these land owners were able to raise a wildlife corridor and enhance the efforts towards the conservation of the Pantanal. Then driven by the same goals and facing the same barriers, the group created the **Rede de Proteção e Conservação da Serra do Amolar (Amolar Network)** in 2008, as an initiative from IHP, thereby enlarging the protection area around the Pantanal Matogrossense National Park. As from 2009, the Amolar Network started operations within the region.

In 2013, EBX Group left the Amolar Network

and, in 2014, **IHP** together with a group of **individual investors** acquired the right to purchase the Engenheiro Eliezer Batista RPPN. In that same year, Amolar Network signed an investment partnership with **VALE**. However, due to the international crisis and the company's critical stage when iron ore had a fall in value in 2015, the support was suspended.

Still during 2015, the above said group of individual investors donated their share to **IHP** who had then 100% of the right to acquire Engenheiro Eliezer Batista RPPN.

Thanks to the donation by photographer **Sebastião Salgado** of 20 originals from his project "Gênesis", the Amolar Network gathered the resources needed to keep up with its activity from 2015 to 2018.

In 2017, the Amolar Network started a service providing branch of operations as a new fundraising stream. In 2018, the Network approved projects in two important edicts: the **"O Boticário Foundation"** - which for the first time opened an exclusive edict for wetlands - and **FUNLES** (Fund for the Defense and Reparation of Injured Diffuse Interests) - which allowed a great advance with the Geopantanal Platform.

In 2019, the Network had the support of services provided and donations to complement the resources for its maintenance. Seeking sustainability for the coming years, the group has invested in innovative projects, such as the validation of carbon credits associated with the conservation status of biodiversity in its areas, combining the concept of "Nature Production" with the appreciation of the Network's natural assets.

AMOLAR NETWORK

4. History

The Amolar Network is a partnership between the three sectors of society for integrally acting on the guard and conservation of Serra do Amolar

The major target is to protect and preserve the region's biodiversity, enlarging the guarded areas around the Pantanal Matogrossense National Park. By optimizing financial, technical and logistic resources, the Amolar Network seeks:

- To identify and deploy actions which directly contribute to the effective safeguard of the areas.
- To ensure the active presence of the State through public-private partnership.
- To foster a cohesive integration between conservation and human development.
- To ensure the protection and understanding of biodiversity through scientific research.

That's how the institutions look to achieve meaningful outcomes with greater efficiency and effectiveness, jointly acting with the public sector and local population.

The importance of such a joint effort goes beyond the geographic boundaries where Amolar Network operates. These matters are worth both national and global interests:

- ✓ **Protection of high biodiversity areas that lie outside the limits of the Pantanal Matogrossense National Park.**
- ✓ **Scientific research as a mean for keeping biodiversity, through the maxim "knowing for preserving".**
- ✓ **Enlargement of protected areas in the Pantanal biome.**
- ✓ **Proving access to public policy and quality education by the local population.**
- ✓ **Sustainable integration between man and nature.**

AMOLAR NETWORK

5. Agents

Member Partners



Supporting Partners

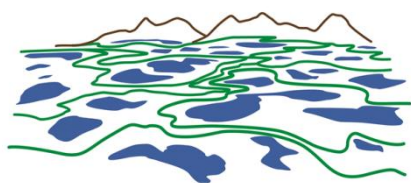


Investment Partners

Group of
Individual Investors

AMOLAR NETWORK

5. Agents



PARQUE NACIONAL DO
PANTANAL
MATOGROSSENSE

The Pantanal Matogrossense National Park is comprised of 135.581 hectares in northwestern state of Mato Grosso do Sul and southwestern state of Mato Grosso. Created in 1991, it's 102 km far from Cuiabá.

The Park's wardenship is performed by **Instituto Chico Mendes de Conservação da Biodiversidade (ICMBio)**. It's entitled as a World Heritage Site and a World Biosphere Reserve by UNESCO.

The Institute was created towards the purpose of guarding and conserving biodiversity in the Pantanal by keeping up the dynamic balance and ecological integrity of nearby ecosystems.

In addition to the joint activities with Amolar Network, the Park's warden regularly carries out law enforcement, monitoring and environmental conservation routines within its domains.



Ecotrópica – Fundação de Apoio à Vida nos Trópicos – was established in 1989 in the municipality of Cuiabá, state of Mato Grosso.

As its mission, **Ecotrópica** works on the conservation of natural resources and maintenance of life quality in Brazilian tropical ecosystems.

Through undertaking a project on **Biodiversity Protection**, the Foundation acquired four areas next to the Pantanal National Park: **Dorochê, Rumo ao Oeste, Acurizal** and **Penha**, all declared RPPNs. They are also entitled by UNESCO as World Natural Heritage sites and embody the Biosphere Reserve of the Pantanal.

AMOLAR NETWORK

5. Agents



Instituto Homem Pantaneiro operates since 2002 protecting and conserving the Pantanal. It's a non-profit based in Corumbá, state of Mato Grosso do Sul.

IHP performs the management of Amolar Network and acts as a political-institutional articulator along with the municipal, state and federal branches, by acting through three pillars:

- 1. Conservation:** Managing Amolar Network activities: management of areas, environmental monitoring, law enforcement, communication, prevention and firefighting, socio-educational actions, training, scientific research and strategic actions
- 2. Environment talks:** Geo-collaborative platform, Polícia Militar Ambiental ("Environmental Military Police"), partnerships and agreements, attendance in events and councils and visits.
- 3. Memorial Homem Pantaneiro:** Revitalization of historical building, collecting, recalling of Pantanal's cultural traditions and expressions.



Working to preserve biodiversity in several Brazilian biomes, with an emphasis on jaguars and maned wolves.

Associação Onçafari was created to promote the conservation of the environment and contribute to the socioeconomic development of the regions in which it operates through ecotourism and scientific studies.

AMOLAR NETWORK

5. Agents

FAZENDA Santa Tereza

To the southside of Engenheiro Eliezer Batista RPPN lies **Fazenda Santa Tereza**, acquired by Teresa Bracher in 2005 with the intention of creating a conservation perimeter around Baía Vermelha, in Corumbá (MS).

Fazenda Santa Tereza and aggregated areas make a private rural property dedicated to husbandry and conserving activities. It sizes 63 thousand hectares, of which 10 thousand are destined to husbandry and 53 thousand to conservation.

The farm applies its whole infrastructure to support monitoring teams from Amolar Network, Police enforcement, scientific researchers and also public or private bodies on logistic operations.



As part of Instituto Acaia, **Acaia Pantanal** is a non-profit established in 2008 aiming to foster human and social development in Pantanal by taking educational actions integrated to the conservation of the biome.

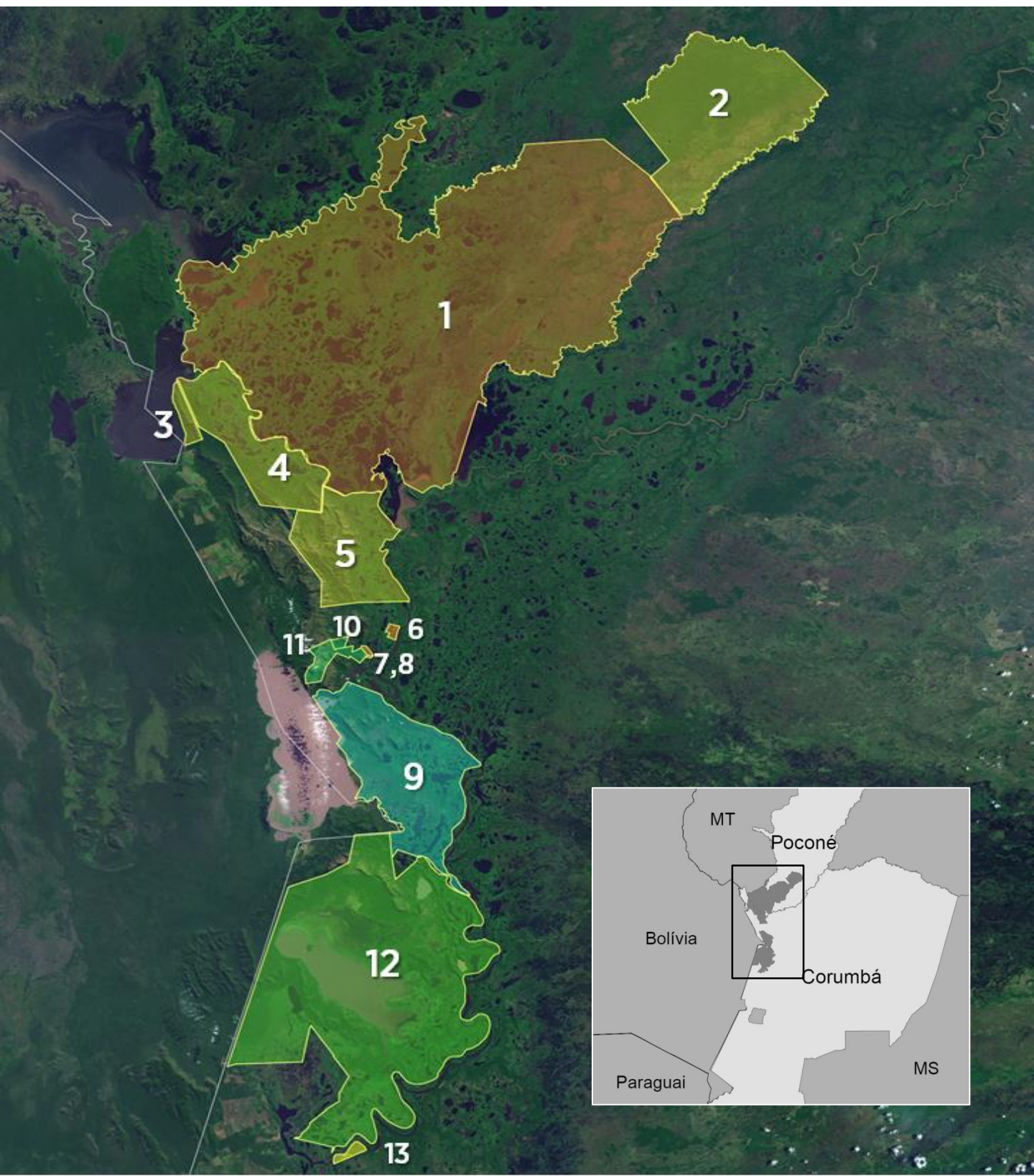
After acquiring the lands from Fazenda Santa Tereza and aggregated areas, Teresa Bracher took note of the work to be done along with riverside population from Corumbá countryside. Acaia Pantanal was created to develop social-educational activities which attend local demands.

Performed activities:

- 1. Escola Jatobazinho** – elementary school born from a public-private partnership with Corumbá city hall, operating under an alternate regime – a model deployed in rural areas consisting of a mix between boarding school and home study periods.
- 2. Jatobazinho workshops** – extracurricular workshops that develop, through playful practice and research, acknowledging, values and skills related to art, culture and citizenship.
- 3. Educator training** – continued training based on a free course designed to the context of watered-land schools and which comprises the curriculum with social-educational workshops.
- 4. Bodoquena students** – logistical, social and pedagogical support to students attending elementary school at Bodoquena school by Fundação Bradesco, at the municipality of Miranda.
- 5. Community relationship** – social-educational and development activities oriented to the families of Jatobazinho school's students, stimulating citizenship, education and income generation.
- 6. Extra activities** – logistical support to the members of Amolar Network, participating in the Network's Management and Strategic committees and logistic support to partners in education, research, environmental defense and others.

AMOLAR NETWORK

6. Map



AMOLAR NETWORK

6. Map



FAZENDA
Santa Tereza



| PROPERTIES | Legally Protected Area | Amolar Network's Outreach Area |
|--|------------------------|--------------------------------|
| 1. Parque Nacional do Pantanal Matogrossense | 135.581 | 135.581 |
| 2. RPPN Doroquê | 26.518 | 26.718 |
| 3. RPPN Rumo ao Oeste | 900 | 990 |
| 4. RPPN Acurizal | 13.200 | 13.665 |
| 5. RPPN Penha | 13.100 | 13.409 |
| 6. Fazenda São Gonçalo | - | 180 |
| 7. Fazenda Santa Rosa | - | 78 |
| 8. Sítio Serra Negra | - | 16 |
| 9. RPPN Engenheiro Eliezer Batista | 12.680 | 20.259 |
| 10. Fazenda Vale do Paraíso | - | 184 |
| 11. Fazenda Morro Alegre | - | 1.351 |
| 12. Fazenda Santa Tereza | - | 70.119 |
| 13. Fazenda Jatobazinho | - | 360 |
| TOTAL (hectares) | 201.979 | 282.910 |

Jabiru
Jabiru mycteria

Foto: Andre Zumak

OUTCOMES



AMOLAR NETWORK ACTIONS

Prior to the creation of the Amolar Network, the abandonment of the local population and the absence of the State in Serra do Amolar were evident. A set of actions was planned and deployed in order to meet the environmental and social demands in those areas.

In every move, as the Network identifies demands that are shared between the agents, it also respects their autonomy in operation.



MANAGEMENT OF AREAS

Management and maintenance:

- Dorochê, Rumo ao Oeste, Acurizal, Penha and Engenheiro Eliezer Batista RPPNs.
- Fazenda Santa Rosa, Fazenda São Gonçalo, Fazenda Vale do Paraíso and Fazenda Morro Alegre.
- Sítio Serra Negra.



ENVIRONMENT WARDING

- Prevention of environmental issues
- Survey on the fluvial system's biological and chemical parameters
- Identifying and registering fauna species
- Checking upon river levels and analyzing hydric pulse



LAW ENFORCEMENT

- Support to Environmental Military Police around Amolar Network areas.



COMMUNICATION

- Enabling structures for communicating with Amolar Network areas entirely.



AMOLAR NETWORK ACTIONS



PREVENTING AND FIGHTING FOREST FIRE

- Shelter for federal brigade squads from PrevFogo/Ibama.
- Support to quick response in forest fire ignition.
- Providing fire-fighting equipment, opening trails to ease the way to risky spots, and available boat.



SOCIAL AND EDUCATIONAL ACTIONS

- Support actions for Environmental Education.
- Social support actions for communities surrounding the Amolar Network.



SCIENTIFIC RESEARCH

- Logistic support to research on such fields as Biology, Environmental and Forest Engineering, Geography, Pharmacology, Sociology, among others, aiming to produce relevant scientific knowledge.



TRAINING

- Contribution to training and professional development.



STRATEGIC ACTIONS

- Project “Cabeceiras do Pantanal”
- Ecotourism



Maintenance and area infrastructure



Acurizal RPPN

“Trapiche”: updating of the floating structure.

Trails: monthly upkeep of land clearing and pruning of trees. Reestablishment of the link road between Acurizal and Rumo Oeste.

House headquarters: monthly housekeeping of headquarters.

Equipments: preventive maintenance in all equipments of the reserve, among them: Massey Ferguson tractor, hydraulic trowel, power generation system.

Water treatment station: preventive maintenance of water treatment station and coal change.

Radio and communication system: preventive and corrective maintenance of radio communication and internet connection.

Solar energy system: preventive and corrective maintenance of solar energy system and solar panels.





Maintenance and area infrastructure



Eliezer Batista RPPN

Equipments in general: preventive maintenance in all equipment of the reserve, being: Massey Ferguson tractor and hydraulic trowel. Maintenance in the generator, system of solar panels and updating of the electrical system of the headquarters.

Trails: monthly upkeep of land clearing and pruning of trees, making them all useful to forest firefighting.

Water treatment station: monthly maintenance of water treatment station and coal change.

Sewage treatment station: maintenance of ETE sewage treatment network.

Radio and communication system: preventive and corrective maintenance of radio communication and internet connection.



Two meteorological stations were donated to the IHP in order to monitor the climatic aspects of Serra do Amolar.

The stations measure in real time temperature, thermal sensation, wind speed, precipitation and atmospheric pressure.



Maintenance and area infrastructure

Sítio Serra Negra

Trails: monthly upkeep of land clearing and pruning of trees, making them all useful to forest firefighting.

Radio and communication system: preventive and corrective maintenance of radio communication and internet connection.

Solar energy systems: preventive and corrective maintenance of solar energy system and solar panels.

Landing runway: weekly upkeep of land clearing, signaling and pruning of trees.

All trash generated within Amolar Network areas was destined to Corumbá's controlled landfill or recycling, on **4 trips** throughout the year.

Fazendas Santa Rosa and São Gonçalo

Trails: monthly upkeep of land clearing and pruning of trees, making them all useful to forest firefighting.

Regularization of documentation

Dorochê, Rumo ao Oeste, Penha RPPNs and **Vale do Paraíso and Morro Alegre** farms were monitored, although they don't have a physical structure.





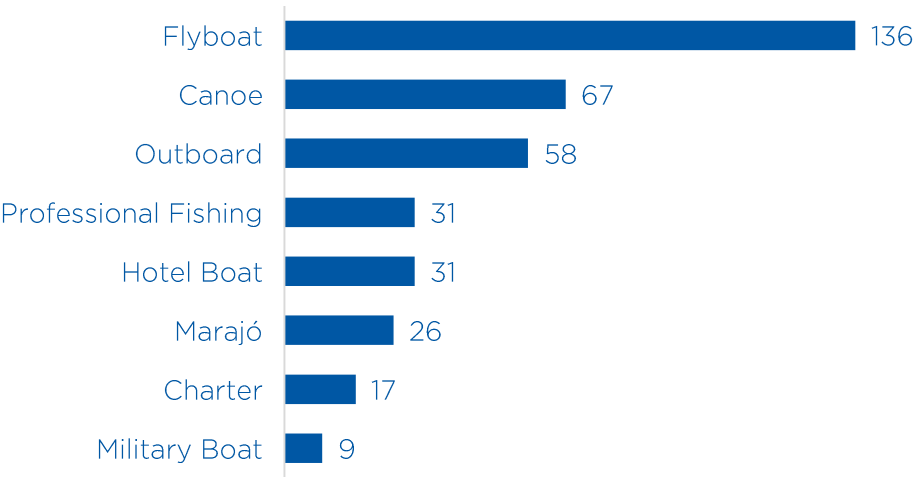
2019 Highlights

- 12 trips for environment watching.
- 5.472 km of monitored river stretches.
- 60 days of monitoring.
- 3 biologists, 1 veterinarian, 1 intern, 2 area managers and 1 field auxiliary in the field team.
- 5 conservation units and 5 private units monitored monthly.
- Paraguay river monitoring in between Corumbá municipality and Acurizal RPPN.
- Species monitoring indicating environment quality.
- Monitoring the flow of vessels.



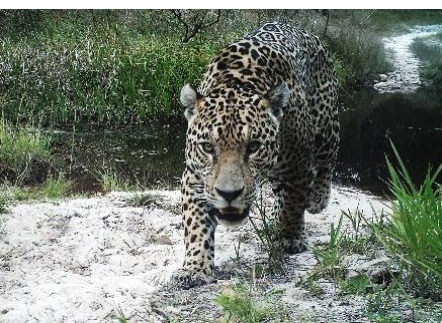
Registering and communicating with the Environmental Military Police about possible offense in the environment context.

Number of water vessels found along Paraguay river
Amolar Network area (2019)



Mammal Monitoring

In 2019, camera traps were used to identify mammal species in Serra do Amolar. With a sampling effort of **2,020 “camera-days”**, the occurrence of **24 species of mammals** was identified in the areas of the Network.



Panthera onca



Herpailurus yagouaroundi



Puma concolor



Eira barbara



Tapirus terrestris



Myrmecophaga tridactyla



Procyon cancrivorus



Mazama americana



Dasypus novemcinctus



Pantanal feline projects

Service providing with its incomes reverted to Amolar Network conserving actions



4 field activities in Serra do Amolar, with the objective of evaluating anti-predation strategies for cattle in properties in the region and to exchange points and maintain the trap cameras installed in the areas of the Network.

Field activity in partnership with **Panthera Colombia** in the project **Conexão Jaguar at Serra do Amolar**.

Scientific tourism activity carried out by Instituto Homem Pantaneiro in partnership with the Climbing for Conservation group.



More than **300 participants and listeners** (children and adults) in environmental education activities:

- **1 lecture** in the Bilingual Trail environmental education activity, at APA Baía Negra, municipality of Ladário-MS, held by Instituto Uniom in partnership with the Wizard language school.
- **1 lecture** on Pantanal felines for the CE Acaia Sagarana group, organized by Acaia Pantanal.
- **1 lecture** on the Pantanal and the importance of water for the maintenance of the Pantanal biodiversity, for students of the Moinho Cultural.



OUTCOMES

Amolar Network



Rede de Proteção
e Conservação
da Serra do Amolar

Environmental Military Police

38 days of law enforcement undertaken over **16 operations** (trips) within the Amolar Network area.

32 arrested materials (fish equipment and weapons).

475 amateur, professional and riverside fishermen approached between January and December of 2019.

107 vessels inspected.



Communication System



3 periodical maintenance trips within all Amolar Network, including battery replacing and equipment maintenance.

3 corrective maintenance trips for battery banks update and solar panels replacement.

Installation of a new communication tower at RPPN Acurizal in partnership with the Brazilian Navy.



preventing
and fighting
forest fire



Rede de Proteção
e Conservação
da Serra do Amolar

Preventing and fighting forest fires

Maintenance of the **network of local residents** to locate fires.

Monitoring of **fires spots** by satellite system.

Checking the feasibility of **fire prevention materials**.

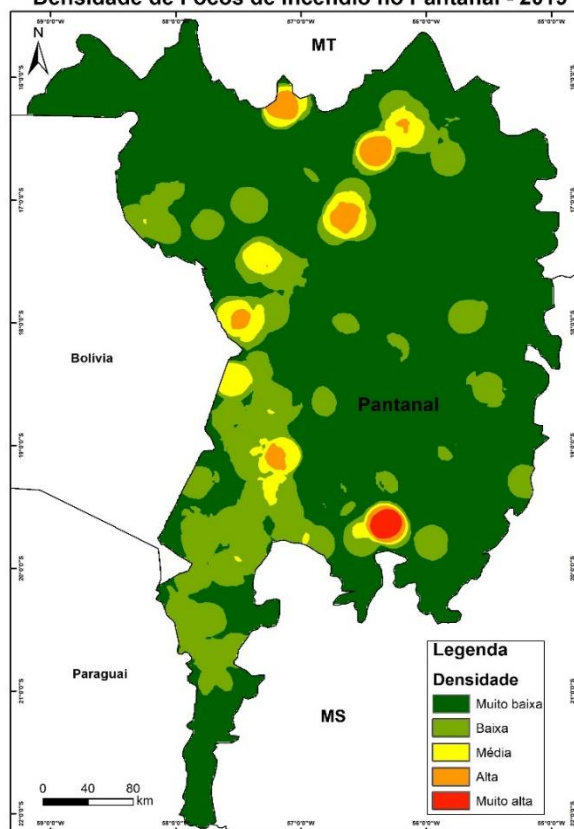
Training course, with the support of PREVFOGO / IBAMA, for members of the Amolar Network.

230.180 fire spots in 2019. No significant fire burning around Amolar Network.



A team from Instituto Homem Pantaneiro, representing the Network, accompanied reporter **Matt Gutman, from ABC News**, on recordings about the biodiversity of the Pantanal and how the fires threaten the Pantanal, the Amazon and the planet.

Densidade de Focos de Incêndio no Pantanal - 2019



OUTCOMES

Amolar Network



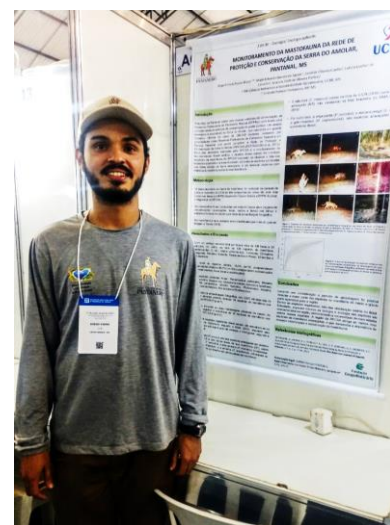
8 environmental education activities were carried out at the Moinho Cultural Institute, directly reaching **407 children and young people aged 5 to 18 years**.

A “study of the environment” activity was also carried out at RPPN Eliezer Batista for students at **Escola Jatobazinho**. On the occasion, the students were able to transform the experience in nature into scientific knowledge.



Research support and collaboration

Participation of the Veterinary Doctor, Diego Viana, in the 71st **Meeting of the Brazilian Society for the Progress of Science**, in Campo Grande, from July 21 to 27, 2019, with the presentation of scientific work on the mastofauna of Rede do Amolar.



OUTCOMES

Amolar Network



strategic
actions



Rede de Proteção
e Conservação
da Serra do Amolar



CABECEIRAS
DO PANTANAL

Environmental monitoring of the rivers Miranda and Prata and Mimoso, with the support of local owners.

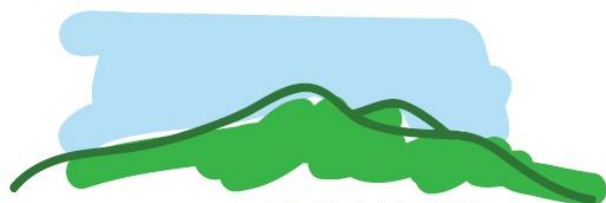
More than **4,700 km** of rivers traveled in **23 field incursions**, totaling **92 field days**, in 12 months.

Identification of vegetation suppression areas and **field trips** with drones to survey the landscape.

Support to Environmental Military Police in the municipalities of Jardim, Miranda, Aquidauana and Bonito.



CORUMBÁ PANTANAL BRASIL



POUSADA **AMOLAR**

Ecoturismo

Provision of paid services with results reverted to the conservation actions of the Amolar Network.

80 visitors and **6 documentary teams** supported.

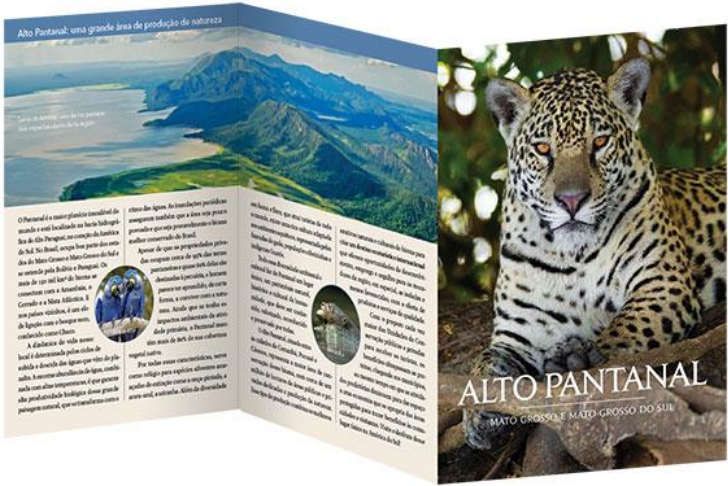
4 events attended and **1 intern** hired.



strategic
actions



Rede de Proteção
e Conservação
da Serra do Amolar



Alto Pantanal Project

A **communication strategy** to reach Brazilian and global society, promoting the Upper Pantanal region as a large area of **Nature Production**, which generates environmental, social and economic benefits for all.

Operational results:

- Development of **social media strategies** to convey the basic concepts of Nature Production, reaching **thousands of followers** sensitive to the concept.
- Development of **inspiring short videos**, with excellent professional finish, that promote the region and can be shared through WhatsApp and social networks.
- Development of **high quality graphic leaflets (folders)** to show the territorial brand (Alto Pantanal) as sources of Nature Production for a wide audience.

Produção de Natureza
Lançamento da Obra do Biólogo
Espanhol Ignacio Jiménez em
Cuiabá - MT

O livro demonstra que
regiões bem conservadas
podem viabilizar empregos e
renda e incrementar o desen-
volvimento regional, tornan-
do-se relevantes ativos
econômicos, como o turismo
de natureza.

Data: 21 de Setembro
Horário: 18h30
Local: Hotel Taiaimã
End: Av. Historiador Rubens
Mendonça, 1184 - Baú
Cuiabá/MT

PRODUTO DE NATUREZA
Pantanal, Resiliência e Desenvolvimento Local

ALTO PANTANAL
MATO GROSSO E MATO GROSSO DO SUL

Apoio

Pantanal, Sesc Pantanal, Mato Grosso



PRODUÇÃO DE NATUREZA: UMA OPORTUNIDADE DE NEGÓCIO

Venha conhecer o conceito de
como a natureza pode ser uma
oportunidade de negócio no
Pantanal

Palestrante Ignacio Jimenez Perez
Diretor de Conservação - Conservation Land Trust

12/03 as 19:00
Hotel Nacional
Realização:

Pantanal, Sesc Pantanal, Mato Grosso





Environment talks | Geo-colaborative platform

- 8 meetings (both Skype and in-person).
 - 200 maps elaborated and geographic tech assistance.
 - 4 presentations.
 - 4 visits for geographical technical assistance and use of technologies
- Participation in 4 events, between symposia, seminars and courses at the **Semana do Meio Ambiente (Environment Week)**.

The IHP Geoprocessing team gave a **short course on Geographic Information Systems Applied to Environmental Analysis and Drone Practices** with the help of our computer technician Josiel Oliveira, attended by undergraduate and technical students from the Federal Institute of Mato Grosso do Sul and two students from the basic school of Corumbá's REME.



Participation in the **Drone Piloting** course in Campo Grande – MS, conducted by **ARATER Consultoria e Projetos**, in which students learned about the legislation on the use of drone, flight registration at ANAC and aircraft homologation. Practical flight classes and a certificate were also issued.

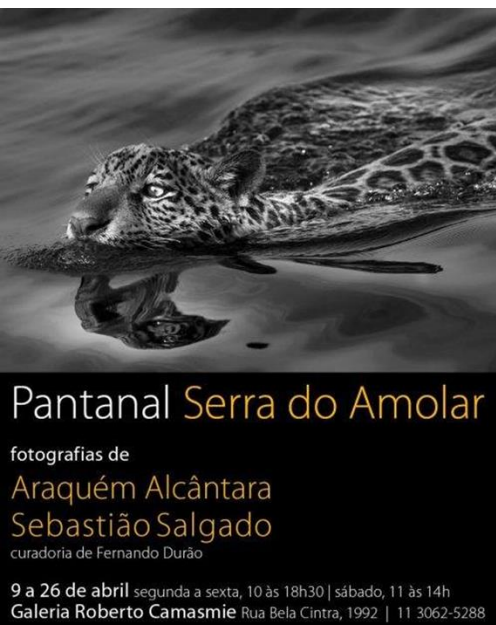
Environment talks | Environmental Police

Environmental Military Police website:
www.pmambientalbrasil.org.br

Channel for complaints between units of environmental military police, with more than 300 complaints received:

| Categories | Nº of complaints |
|------------------------------|------------------|
| Fauna-related crimes | 131 |
| Flora-related crimes | 49 |
| Fishing crimes | 16 |
| Pollution and other offenses | 143 |
| General contribution | 473 |

Environment talks | Attendance in events



Between the 9th of April 26th, at Galeria Roberto Camasmie, renowned photographers **Araquém Alcântara** and **Sebastião Salgado** held a photographic exhibition curated by Fernando Durão.



Participation in the **2nd Workshop: Construction of the Geospatial Data Bases of the Upper Paraguay Basin (BAP)**, carried out by WWF, with the objective of collecting and organizing data, information and indicators from several databases (spatial and non-spatial).



Environment talks | Attendance in events



Participation in the visit of the **Minister of the Environment, Ricardo Salles**, to Fazenda Caiman.

On the occasion, the Amolar Network and the Alto Pantanal and Cabeceiras Projects were presented.

Participation in the Public Hearing on the **Silting of the Serra da Bodoquena Hydrographic Basin**, held at the Plenary Deputy Júlio Maia, in the Legislative Assembly of Mato Grosso do Sul (ALMS).



Presentation of the Amolar Network and the Cabeceiras Project at the **Rio Miranda Basin Committee**, at the IMASUL auditorium, in Campo Grande.

Environment talks | Attendance in events



Participation in the **Agrotools Future 2019** event, held at Cubo Itaú, which aimed to reflect upon the immediate potential and impacts of technological innovation in agribusiness and the influence on the end-consumer daily life for environmental conservation.

Participation in the **International Forest Fire Conference (Wildfire - 2019)**, whose main objective is the exchange of knowledge between professionals of all nationalities linked to fire management and forest fire control.

The Conference promotes **international cooperation and humanitarian aid**, consolidating the global strategy for fire management.

The event also opens space for companies, research institutions and specialists to expose **new technologies, products and methods** for fire management and forest fire control.



Environment talks | Attendance in events

Participation in the seminar on **"Day of the Pantanal Biome"**, promoted by the Environment and Sustainable Development Commission in celebration of Pantanal Day.



Participation in the festivities of the **Guató Community**, to celebrate the Indian's Day.

Environment talks | Board participation

- Curator Council of the Municipal Fund for Preservation of the Historical and Cultural Heritage of Corumbá / MS
- Municipal Council for the Environment
- Biosphere Reserve Council

OUTCOMES

Agents

FAZENDA
Santa Tereza

2019 outcomes

- Logistic support to **19 people** – among students, researchers, government and technical agents – by providing **75 days** of accommodation and sleeping.
- Logistic support to **35 students, 5 professors** from Centro de Estudos Acaia Sagarana, from São Paulo, and **8 support staff** from Corumbá, during the educational project, summing up **96 days of accommodation**.
- Protection and conservation of **53 thousand hectares** within the property.



2019 outcomes

- Elementary education, in alternate regime, in Jatobazinho school, for **49 children**.
- Social support for **53 riverside families** around Jatobazinho school.
- Medical and odontological assistance to **49 children** and **20 employees** in partnership with Marinha do Brasil (Brazilian Navy).
- Logistical, social and educational support to **29 former students** from Jatobazinho school who were settled in Bodoquena School of Bradesco Foundation to keep on studying.
- Going to a **5-week** training (face-to-face and remotely) summing up **360 hours** of pedagogical training.
- Technical course in **14 social-educational workshops** for a group of **40 women**.
- **Logistic support** to several public agencies acting within the range of Amolar Network area, such as the Brazilian Navy, IBAMA, Environmental Police, Federal Police, Civil Guard, among others.
- **Support to Médicos do Pantanal – MDP** through Expedição Alma Pantaneira, an independent organization committed to medical and odontological service providing to families living in remote areas of the Pantanal.
- Logistic support to **35 students** and **5 teachers** from Centro de Estudar Acaia Sagarana, from São Paulo, during a pedagogical project about environment study.
- **Logistic support** to **1.384 visitors**, of which **285** were sheltered, among researches, public and technical agents for the maintenance of the Amolar Network.



Foto: Andre Zumak

MANAGEMENT

Yacare caiman
Caiman yacare

MANAGEMENT

Independent Auditor's Report & Financial Statements

To the Management of INSTITUTO HOMEM PANTANEIRO (Corumbá – MS)

Qualified opinion

We have audited the accompanying financial statements of INSTITUTO HOMEM PANTANEIRO ("Entity"), which comprise the balance sheet as at December 31, 2019, and the statement of surplus (deficit), statement of comprehensive income (loss) and statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of INSTITUTO HOMEM PANTANEIRO as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Entity in accordance with the relevant ethical requirements set forth in the Code of Ethics for Professional Accountants and the professional standards issued by the Federal Accounting Council and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

Financial statements expressed in US dollars (US\$)

As mentioned in note 2, the financial statements were prepared in accordance with the accounting practices adopted in Brazil. For reporting purposes, additionally, they are presented in American dollars (US\$). The financial statements

have been remeasured from Brazilian reais (R\$) into US dollars (US\$) using the exchange rate prevailing at December 31, 2019 and 2018 for current assets and liabilities, and income and expenses. As a general rule, noncurrent assets and liabilities are remeasured at the historical acquisition rate whereas revenues and expenses, at the monthly average rate, resulting in an adjustment to equity due to the foreign-currency translation (Net asset adjustment from foreign currency translation). However, as inflation rates in Brazil are relatively low, only the current rate was used to remeasure the financial statements as of December 31, 2019 and 2018. This simplified practice does not require a translation adjustment. However, if historical rates had been used, there would be no differences in the Entity's yearend net assets.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative to avoid doing so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

MANAGEMENT

Independent Auditor's Report & Financial Statements

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are 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 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 for one resulting from error, as fraud may involve override of internal control, collusion, forgery, intentional omissions or misrepresentations.
- Obtain 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude 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 significant doubt on the Entity's 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 statements 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying 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 we identify during our audit.

São Paulo, April 14, 2020



SGS Auditores Independentes
CRC 2 SP 020.277/O-5


Silvio de Jesus
CRC 1 SP 141.676/O-7

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Balance sheets as of December 31, 2019 and 2018
In US\$

| <u>ASSETS</u> | Note | 2019 | 2018 |
|--|------|----------------|----------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | | |
| Cash | | 6 | 11 |
| Banks - unrestricted | | 7 | 13 |
| Operating reserve - Unrestricted | 4 | 13,670 | 9,014 |
| project reserve - Restricted | 5 | 35,869 | 77,445 |
| Costing fund - Unrestricted | 6 | - | 44 |
| Sustainability fund - restricted | 7 | 73,753 | 1,402 |
| Accounts receivable | 8 | 2,240 | 3,216 |
| Total current assets | | 125,545 | 91,145 |
| NONCURRENT ASSETS | | | |
| Property and equipment | 9 | 217,517 | 123,504 |
| Intangible assets | 10 | 6,966 | 15,483 |
| Total noncurrent assets | | 224,483 | 138,987 |
| TOTAL ASSETS | | 350,028 | 230,132 |
| <u>LIABILITIES AND NET ASSETS</u> | | | |
| CURRENT LIABILITIES | | | |
| Suppliers of goods and services | | 8,047 | 6,996 |
| Employee obligations | 11 | 7,208 | 10,521 |
| Payroll of self-employed workers | | - | 1,171 |
| Leases | 15 | 7,443 | - |
| Payroll taxes | 12 | 3,818 | 4,548 |
| Taxes payable | 13 | 1,162 | 856 |
| Other payables | 14 | 16,484 | 4,349 |
| Funds - projects in progress | 16 | 35,853 | 77,445 |
| Total current liabilities | | 80,015 | 105,886 |
| NONCURRENT LIABILITIES | | | |
| Leases | 15 | 96,757 | - |
| Total noncurrent liabilities | | 96,757 | - |
| EQUITY | | | |
| Net worth | | 173,256 | 124,246 |
| Total net assets | | 173,256 | 124,246 |
| TOTAL LIABILITIES AND EQUITY | | 350,028 | 230,132 |

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Statements of surplus (deficit) for the years ended December 31, 2019 and 2018 In US\$

| | | 2019 | 2018 |
|--|-------------|------------------|------------------|
| OPERATING INCOME | Note | | |
| Restricted | | | |
| Special agreements with government | 18 | 16,563 | 48,221 |
| Nongovernment sponsorship | 18 | 69,382 | 56,513 |
| Volunteer work | 21 | 40,985 | 23,046 |
| | | <u>126,930</u> | <u>127,780</u> |
| Unrestricted | | | |
| Services rendered | | 63,045 | 71,039 |
| Partnership Agreement - Instituto Acaia | 18 | 85,042 | 63,506 |
| Donations from legal entities | | 110,808 | 39,435 |
| Donations from individuals | | 120,230 | 126,191 |
| Finance income | | 1,295 | 8,275 |
| Other income | | 117,908 | 4,477 |
| | | <u>498,327</u> | <u>312,923</u> |
| Other operating income - unrestricted | | <u>248</u> | <u>-</u> |
| Donations of fixed assets | | | |
| Other income | | 248 | - |
| Total income | | <u>625,505</u> | <u>440,703</u> |
| OPERATING COSTS AND EXPENSES | | | |
| Environmental programs | | | |
| Operating costs and expenses | | (437,813) | (336,175) |
| Volunteer work | 21 | (40,985) | (23,046) |
| | | <u>(478,798)</u> | <u>(359,221)</u> |
| Gross surplus | | <u>146,707</u> | <u>81,482</u> |
| Operating and administrative expenses | | (94,843) | (82,511) |
| Surplus (deficit) for the period | | <u>51,864</u> | <u>(1,029)</u> |
| Adjustments to net assets | | 1,952 | |
| Comprehensive income (loss) | | <u>53,816</u> | <u>(1,029)</u> |

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Statements of changes in net assets for the years ended December 31, 2019 and 2018 In US\$

| | Net worth | Translation adjustment | Surplus (deficit) | Total |
|-------------------------------------|----------------|------------------------|-------------------|----------------|
| BALANCE AT DECEMBER 31, 2017 | 152,843 | (6,103) | - | 146,740 |
| Deficit for the period | | | (1,029) | (1,029) |
| Translation adjustment | | (21,465) | | (21,465) |
| Transfer of deficit | (1,029) | | 1,029 | |
| BALANCE AT DECEMBER 31, 2018 | 151,814 | (27,568) | - | 124,246 |
| Surplus for the period | | | 51.864 | 51.864 |
| Adjustments to net assets | | | 1,952 | 1,952 |
| Translation adjustment | | (4.806) | | (4.806) |
| Transfer of surplus | 53.816 | | (53.816) | - |
| BALANCE AT DECEMBER 31, 2019 | 205.630 | (32.374)) | - | 173,256 |

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Statements of cash flows for the years ended December 31, 2019 and 2018

In US\$

| | 2019 | 2018 |
|--|------------------|-----------------|
| OPERATING ACTIVITIES | | |
| Surplus (deficit) for the year | 51,864 | (1,029) |
| Increase (decrease) in items not affecting cash: | | |
| Depreciation and amortization | 19,613 | 19,543 |
| Adjustments to net assets | 1,952 | - |
| Translation adjustment - Cash and cash equivalents | (3,400) | (11,883) |
| Decrease (increase) in assets | | |
| Accounts receivable | 852 | 3,488 |
| Increase (decrease) in liabilities | | |
| Suppliers of goods and services | 195 | 954 |
| Employee obligations | (2,906) | 4,884 |
| Payroll of self-employed workers | - | 1,171 |
| Payroll taxes | (554) | 2,235 |
| Taxes payable | 339 | 628 |
| Other payables | 12,304 | (4,206) |
| Cash provided by (used in) operating activities | 80,259 | 15,785 |
| INVESTING ACTIVITIES | | |
| Increase in property and equipment and intangible assets | (110,486) | (38,694) |
| Cash provided by (used in) investing activities | (110,486) | (38,694) |
| FINANCING ACTIVITIES | | |
| Proceeds from projects in progress | (38,596) | 29,582 |
| Increase (decrease) in leases | 104,200 | |
| Cash provided by (used in) investing activities | 65,604 | 29,582 |
| Increase (decrease) in cash and cash equivalents | 35,377 | 6,673 |
| Cash and cash equivalents at beginning of period | 87,929 | 81,256 |
| Cash and cash equivalents at end of period | 123,306 | 87,929 |
| Increase (decrease) in cash and cash equivalents | 35,377 | 6,673 |

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2019 and 2018
In US\$

1. GENERAL INFORMATION

Instituto Homem Pantaneiro ("Entity") is a private nonprofit entity, having administrative, finance and net asset autonomy, headquartered in the city of Corumbá, State of Mato Grosso do Sul. The Entity has indeterminate duration and nation-wide coverage.

The purposes of the Entity are the following:

- a) Promote, support, coordinate, develop, participate in and execute programs, plans, projects, activities, organization and viability of events related to education, monitoring, control, research, preservation and conservation of the environment, natural resources, and the environmental security quality;
- b) Promote, support, disclose, coordinate, develop, participate in and execute programs, plans, projects, activities, organization and viability of events related to education, research, training, qualification and empowerment of human resources in the environmental area;
- c) Promote, support, disclose, coordinate, develop and execute studies, environmental consulting, assessment, reports and environmental impact;
- d) Provide services and consulting to government and nongovernment institutions, private and state-owned companies, individuals and legal entities, in areas such as education, training, empowerment and professional qualification, planning, performance of all activities, organization and viability of events related to the environment, natural resources, quality and environmental security, as well as in

all areas covered by its purposes and related activities.

2. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with accounting practices adopted in Brazil, which comprise the Brazilian Corporate Law and the technical pronouncements, instructions and interpretations issued by the Accounting Pronouncements Committee ("CPC"), and specifically ITG 2002 (R1), applicable to Nonprofit Entities and other supplementary provisions.

The financial statements were prepared in accordance with accounting practices adopted in Brazil. For reporting purposes, additionally, they are presented in American dollars (US\$). The financial statements have been remeasured from Brazilian reais (R\$) into US dollars (US\$) using the exchange rate prevailing at December 31, 2019 and 2018 for current assets and liabilities, and income and expenses. As a general rule, noncurrent assets and liabilities are remeasured at the historical acquisition rate whereas revenues and expenses, at the monthly average rate, resulting in an adjustment to equity due to the foreign-currency translation (Net asset adjustment from foreign currency translation). However, as inflation rates in Brazil are relatively low, only the current rate was used to remeasure the financial statements as of December 31, 2019 and 2018. This simplified practice does not require a translation adjustment. However, if historical rates had also been used, there would be no differences in the Entity's yearend equity.

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2019 and 2018
In US\$

3. SIGNIFICANT ACCOUNTING POLICIES

a) Functional and presentation currency

The financial statements are presented in Brazilian reais and US dollars – US\$.

b) Income and expense recognition

Income and expenses are recorded on the accrual basis.

c) Accounting estimates

The preparation of financial statements requires the use of estimates to account for certain assets, liabilities and other transactions. Therefore, the financial statements include estimates relating to provisions, receivables and other. Actual results may differ from these estimates.

d) Financial instruments

Non-derivative financial instruments are comprised of cash and cash equivalents, accounts and other receivables, and accounts and other payables.

e) Current and noncurrent assets

Cash and cash equivalents: Amounts recorded in cash and cash equivalents refer to bank accounts and highly liquid short-term investments with an insignificant risk of change in fair value, and which are considered equivalent to cash.

Short-term investments: Stated at cost plus income earned through the end of the reporting period, not exceeding fair or realizable values.

Property and equipment: Represented by the rights acquired in tangible assets to be held and used in the Entity's operations or exercised for

this purpose, including those originating from operations that transfer risks, rewards and controls over the Entity's assets. Stated at cost, less accumulated depreciation calculated under the straight-line method based on the estimated useful life of the assets.

Intangible assets: Correspond to rights acquired in intangible assets that are maintained or used in the Entity's operations or exercised for this purpose. Intangible assets with finite useful lives are generally amortized on a straight-line basis over the period they are expected to generate economic benefits.

f) Current and noncurrent liabilities

Stated at known or estimated amounts, plus charges, inflation adjustment and/or changes in exchange rates incurred through the date of the statement of financial position, when applicable. When applicable, current and noncurrent liabilities are stated at present value based on interest rates that reflect the term, currency and risk of each transaction.

Provisions: Provisions are recognized when the Entity has a legal or constructive obligation as a result of a past event and it is probable that an outflow of funds will be required to settle the obligation. Provisions are recorded based on the best estimates of the risk involved.

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2019 and 2018
In US\$

4. OPERATING RESERVE - Unrestricted

| | 2019 | 2018 |
|------------------------|---------------|--------------|
| Short-term investments | 13,670 | 9,014 |
| Total | 13,670 | 9,014 |

5. PROJECT RESERVE - Restricted

| | 2019 | 2018 |
|--|---------------|---------------|
| Short-term investments | 29,772 | 77,445 |
| Short-term investments - Banco do Brasil | 6,081 | - |
| Other investments | 16 | - |
| Total | 35,869 | 77,445 |

6. COSTING FUND - Unrestricted

| | 2019 | 2018 |
|------------------------|----------|-----------|
| Short-term investments | - | 44 |
| Total | - | 44 |

7. SUSTAINABILITY FUND - Restricted

| | 2019 | 2018 |
|--|---------------|--------------|
| Financial investment - Itaú - 29512-3 (Premium DI) | 73,753 | - |
| Short-term investments | - | 1,402 |
| Total | 73,753 | 1,402 |

8. ACCOUNTS RECEIVABLE

| | 2019 | 2018 |
|--------------------------------------|--------------|--------------|
| Fee advances | - | 997 |
| Advances to suppliers | 2,072 | 1,190 |
| Salary advances | 137 | 154 |
| Receivables | - | 3,758 |
| Allowance for expected credit losses | - | (2,915) |
| Recoverable taxes | 31 | 32 |
| Total | 2,240 | 3,216 |

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2019 and 2018
In US\$

9. PROPERTY AND EQUIPMENT

| | | 2019 | | | 2018 |
|-------------------------|---------------------|----------------|--------------------------|-----------------------------|-----------------------------|
| | Annual deprec. rate | Cost | Accumulated depreciation | Property and equipment, net | Property and equipment, net |
| Unrestricted | | | | | |
| Furniture and fixtures | 10% | 5,836 | (2,674) | 3,162 | 2,679 |
| Telephony terminals | 20% | 1,102 | (280) | (822) | 13 |
| Machinery and equipment | 10% | 46,615 | (12,494) | 34,121 | 35,805 |
| IT equipment | 20% | 1,599 | (1,599) | - | - |
| Land | | 3,721 | - | 3,721 | 3,871 |
| Vessels | 10% | 49,865 | (17,868) | 31,996 | 38,471 |
| Properties | 4% | 45,464 | (6,517) | 38,948 | 41,933 |
| Restricted | | | | | |
| Machinery and equipment | 10% | 1,234 | (687) | 547 | 697 |
| IT equipment | 20% | 1,511 | (1,511) | - | 35 |
| Properties - Leases | | 104,200 | - | 104,200 | |
| Total | | 261,147 | (43,630) | 217,517 | 123,504 |

Changes in property and equipment

| | 2018 | 2019 | | | |
|-------------------------|----------------|-------------------------|------------------|-----------------|----------------|
| | Net | Additions/ purchases | Exchange loss | Depreciation | Net |
| Unrestricted | | | | | |
| Furniture and fixtures | 2,679 | 1,127 | (104) | (540) | 3,162 |
| Telephony terminals | 13 | 1,007 | (1) | (197) | 822 |
| Machinery and equipment | 35,805 | 4,152 | (1,385) | (4,451) | 34,121 |
| Land | 3,871 | | (150) | - | 3,721 |
| Vessels | 38,471 | | (1,488) | (4,987) | 31,996 |
| Properties | 41,933 | | (1,621) | (1,364) | 38,948 |
| Restricted | | | | | |
| Machinery and equipment | 697 | | (27) | (123) | 547 |
| IT equipment | 35 | | (1) | (34) | - |
| Properties - Leases | | 104,200 | | - | 104,200 |
| Total | 123,504 | 110,486 | (4,777) | (11,696) | 217,517 |

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2019 and 2018
In US\$

10. INTANGIBLE ASSETS

| | | 2019 | | 2018 | |
|----------------------|--------------------|---------------|--------------------------|-----------------------------|-----------------------------|
| | Annual amort. rate | Cost | Accumulated amortization | Property and equipment, net | Property and equipment, net |
| GPS software | 20% | 18,706 | (11,740) | 6,966 | 15,474 |
| Software - computers | 20% | 66 | (66) | - | 9 |
| Total | | 18,772 | (11,806) | 6,966 | 15,483 |

11. EMPLOYEE OBLIGATIONS

| | 2019 | 2018 |
|----------------------|--------------|---------------|
| Salaries | 2,196 | 5,178 |
| Accrued vacation pay | 5,012 | 5,343 |
| Total | 7,208 | 10,521 |

12. PAYROLL TAXES

| | 2019 | 2018 |
|-------------------------------------|--------------|--------------|
| Social Security Contribution (INSS) | 1,663 | 2,141 |
| Severance Pay Fund (FGTS) | 389 | 390 |
| PIS on payroll | 48 | 134 |
| Union dues | 38 | 40 |
| Accrued taxes on vacation pay | 1,679 | 1,843 |
| Total | 3,818 | 4,548 |

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2019 and 2018
In US\$

13. TAXES PAYABLE

| | 2019 | 2018 |
|---|--------------|------------|
| Withholding income tax – individuals | 443 | 524 |
| Withholding income tax - legal entities | 123 | 20 |
| Service tax (ISS) | 208 | 244 |
| Other payables | 387 | 68 |
| Total | 1,162 | 856 |

14. OTHER PAYABLES

| | 2019 | 2018 |
|-------------------------|---------------|--------------|
| Advances from customers | 15,230 | 4,127 |
| Reimbursable expenses | 80 | 84 |
| Electric power | 286 | 127 |
| Water | - | 11 |
| Telephone | 888 | - |
| Total | 16,484 | 4,349 |

15. LEASES

| Type | Finance charges | Current | | Noncurrent | |
|-----------------|-----------------|--------------|----------|---------------|----------|
| | | 2019 | 2018 | 2019 | 2018 |
| Property leases | IGPM p.a. | 7,443 | - | 96,757 | - |
| Total | | 7,443 | - | 96,757 | - |

Refers to the lease of properties: Fazenda Acurizal, Fazenda Penha and Fazenda Rumo Oeste, owned by ECOTRÓPICA – Fundação de Apoio à Vida nos Trópicos. The lease contract is effective until November 22, 2033.

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2019 and 2018
In US\$

16. FUNDS - PROJECTS IN PROGRESS

Special agreements with government – Restricted short-term investments

| Type and Agency | Related responsibilities | 2019 US\$ | 2018 US\$ |
|--|--|---------------|---------------|
| Vale S.A. | Refers to the single installment released under Project Cabeceiras do Pantanal. The purpose of the project is to cooperate with the production of qualified environmental information about Pantanal, particularly springs and Permanent Preservation Areas (APPs) in Alto Paraguai Basin (BAP). The Project seeks to create or strengthen mechanisms whereby social, economic and scientific evaluations may be converted into quality information for the planning and definition of environmental policies. | 6,081 | 77,423 |
| FUNLES | If the project is not materialized, IHP will return the related funds to the sponsor. | - | 22 |
| PRONAC 191717 - MEMORIAL DO HOMEM PANTANEIRO | Preparation and implementation of the "Homem Pantaneiro Memorial" | 29,772 | - |
| Total | | 35,853 | 77.445 |

17. PROVISION FOR RISKS

Provisions are recognized by the Entity's management based on its legal counsel's opinion in amounts aligned with estimated losses arising from lawsuits.

Likelihood of loss on lawsuits may be classified as:

(a) Probable – one or more future events are more likely than not to occur.

(b) Possible – one or more future events are more than remote but less than likely to occur.

(c) Remote – one or more future events are unlikely to occur.

The Entity is not party to labor, civil and tax involving risks of losses. Therefore, recognizing a provision for risks was not necessary.

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18. SPONSHORSHIPS AND SPECIAL AGREEMENTS – Income

Special agreements with government – Restricted

| Type and Agency | Project | Related responsibilities | 2019 US\$ | 2018 US\$ |
|--|---|--|---------------|---------------|
| Fund for the Defense and Remediation of Diffuse and Aggrieved Interests (FUNLES), managed by the Secretariat for Environment, Economic Development, Production and Family Agribusiness). | GEOPANTANAL: Technology-enabling conservation tool. | -Execute the Work Plan; -Apply the fund received for executing the project; -Keep the accounting bookkeeping up-to-date; -Be responsible for payroll taxes; -Comply with the provisions of State Decree No. 14.494; -Enable oversight and supervision by the Grantor; -Return any remaining balances; -Accountability for the funds received. | 16,563 | 48,221 |
| Total | | | 16,563 | 48,221 |

Partnership Agreement – Instituto Acaia – Unrestricted

| Entity | Project / partnership description | 2019 US\$ | 2018 US\$ |
|-----------------|---|---------------|---------------|
| Instituto Acaia | Partnership agreement for paying the maintenance of the communications system in the areas covered by the RPCSA | 57,012 | 6,344 |
| Instituto Acaia | Partnership agreement for monitoring and oversight actions in the areas covered by the RPCSA | 6,001 | 57,162 |
| Instituto Acaia | Partnership agreement for developing Project Alto Pantanal. | 13,345 | - |
| Instituto Acaia | Transfer for payment of lease of ECOTRÓPICA areas. | 8,683 | - |
| Total | | 85,042 | 63,506 |

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Non-governmental sponsorships – Restricted

| Type and Agency | Project | Related responsibilities | 2019 US\$ | 2018 US\$ |
|---|---|---|---------------|---------------|
| Fundação Boticário de Proteção a Natureza | Rede de Proteção e Conservação da Serra do Amolar: environmental monitoring as a conservation tool. | Environmental Monitoring Serra do Amolar no Pantanal/MS | - | 41,028 |
| Fundação Boticário de Proteção a Natureza | 14 th Nature and Conservation Strategy Training | Extension Training to Brazil's Environmental Military Police Officers. 2016 Nature Conservation and Protection Strategies developed into two steps: 1- Distance learning ("EaD") – Five modules with 20 hours each in a virtual learning environmental (Moodle), and, 2 – classroom training provided in Serra do Amolar, in Pantanal/MS. | - | 15,485 |
| Vale S.A. | Environmental Monitoring of Rios | Perform an ecological and environmental diagnosis of water springs and Permanent Preservation Areas (APP's) in the region, by identifying the conservation status, the economic activities and the utilization of the spring soil of Alto Paraguay Basin and its main water streams. | 69,382 | - |
| Total | | | 69,382 | 56,513 |

19. OTHER INCOME

| | 2019 | 2018 |
|--|----------------|--------------|
| Income from TCRAE (State Environmental Reserve Quota Certificates) | 117,908 | - |
| Other | - | 4,477 |
| Total | 117,908 | 4,477 |

TCRAE – State Environmental Reserve Quota Certificates:

SEMAGRO Resolution No. 673, of March 14, 2019, published on the Federal Official Gazette of March 22, 2019, provides the rules for legal reserve offset applicable to the State of Mato Grosso do Sul. Such Resolution amends other rules published in 2014 which implement and govern the procedures relating to the Rural Environmental Registry and on the “For a More Sustainable Mato Grosso” program.

As a strategy to pursue sustainability, IHP started legal procedures to comply with the requirements and use the funds provided by the TCRAE. The processes are in progress and are scheduled to be completed in 2020.

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20. USE OF FUNDS

The Entity's funds were used in its institutional purposes, as specified in its Bylaws, as shown in the statement of its expenses and investments. Instituto Homem Pantaneiro has two sources of income: Donations and services provided. Income from services are used to finance the preservation of environment, natural resources, environmental quality and safety, as well as to carry out its statutory purposes and related activities.

21. VOLUNTEER WORK

As prescribed by Resolution No. 1409 – Federal Accounting Council (CFC) ITG 2002 – item 19, volunteer work should be recognized at the fair value of the service provided, as if a cash disbursement had been made. According to Appendix A to this Resolution, volunteer work should be treated in income and expenses in the same amount, without affecting the entity's surplus or deficit. Therefore, no payments were made for volunteer work, since services are not compensated, under Volunteer Work Law.

22. TAX EXEMPTIONS AND WAIVER

| | 2019 | 2018 |
|--|---------------|---------------|
| Corporate Income Tax (IRPJ) | 14,607 | - |
| Social Contribution on Net Profit (CSLL) | 4,723 | - |
| ISS (Service tax) | 7,239 | 5,122 |
| PIS (tax on income) | 4,056 | 2,864 |
| Cofins (tax on income) | 18,720 | 13,221 |
| Total | 49,345 | 21,207 |

23. INSURANCE

The Entity does not have insurance coverage for its administrative building, as the property has been preserved as a historic site, and insurers do not provide coverage for heritage buildings.

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24. PROPERTY PURCHASE RIGHTS

The rural properties named Fazenda Morrinhos and Fazenda Novos Dourados, located in the municipality of Corumbá, State of Mato Grosso do Sul, where Private Natural Reserve Engenheiro Elieser Batista was created, were acquired by Instituto Homem Pantaneiro (IHP) from MMX Corumbá Mineração S.A., under a Purchase and Sale Commitment dated August 11, 2014, amended on April 16, 2015 (Fazenda Novos Dourados) and an Assignment of Rights Commitment dated August 11, 2014 (Fazenda Morrinhos), for the amounts of US\$917,257 (R\$2,089,418.90) and US\$100,851 (R\$310,581.11), which have not yet been paid by the seller to the acquiring party, since conditions precedent contained in the Commitments have not yet been complied with.

On August 11, 2014, the parties also executed a Lease Agreement. The price agreed upon for the lease – US\$63,400 (R\$600,000.00) – was paid by netting outstanding receivables in favor of the Entity which originated from the Partnership and Management, Maintenance and Performance of Conservation Programs Agreement entered into on January 01, 2010 and amended on February 02, 2011.

Instituto Homem Pantaneiro assigned 95% of the rights it held over the abovementioned properties to a group of individuals, which was formalized on December 10, 2012 under an Assignment of Purchase Rights Agreement, for US\$180,482 (R\$368,815.07) (Faz. Morrinhos) and US\$1,214,183 (R\$2,481,184.93) (Faz. Novos Dourados), to join efforts to continue the environment preservation activities and the scientific and environmental education projects being developed in the properties.

The interest in the partnership established between Instituto Homem Pantaneiro and the group of individuals was lost and, as a way to contribute to the preservation of Serra do Amolar, the amount of US\$88,364 (R\$350,000.00) initially received as down payment when the assignment of rights agreement referred to above was executed, was not returned. Such amount was received by the Entity as a donation.



Rede de Proteção
e Conservação
da Serra do Amolar



INSTITUTO HOMEM
PANTANEIRO

Pale-crested woodpecker
Celeus lugubris

Foto: Andre Zumak



Instituto Homem Pantaneiro

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