



Amazon Fund:
Limited Assurance
Report
2023



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**INDEPENDENT AUDITOR'S LIMITED ASSURANCE
REPORT ON THE APPLICATION OF FINANCIAL
RESOURCES FOR PROJECTS SUPPORTED BY
THE AMAZON FUND**

**BNDES – Banco Nacional de Desenvolvimento
Econômico e Social**

Coverage of projects whose disbursements occurred between
January 2023 and December 2023.

Independent auditor's limited assurance report

To the management of

Banco Nacional do Desenvolvimento Econômico e Social ('BNDES')

Rio de Janeiro - RJ

Scope

We have been engaged by BNDES to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the BNDES's destination of financial resources to the projects supported by Amazon Fund, considering its applicable standards and guidelines and the physical evidence of implementation of such projects between January 1st, 2023 and December 31st, 2023.

The Amazon Fund aims to raise donations for non-reimbursable investments in actions to prevent, monitor and combat deforestation, and to promote conservation and sustainable use of the Legal Amazon. It also supports the development of deforestation monitoring and control systems in other Brazilian biomes and in other tropical countries.

Criteria applied by BNDES

In preparing and executing the 2023 disbursements for the Amazon Fund projects, BNDES considered and applied its processes in accordance with the following standards and specific Brazilian regulation guidelines: PPCDAM – *Plano de Ação para Prevenção e o Controle do Desmatamento na Amazônia Legal* (Action Plan for the Prevention and Control of Deforestation in the Legal Amazon), ENREDD+ - *Estratégia Nacional para Redução das Emissões Provenientes do Desmatamento e da Degradação Florestal, Conservação dos Estoques de Carbono Florestal, Manejo Sustentável de Florestas e Aumento de Estoque de Carbono Florestal* (National Strategy for Reducing Emissions from Deforestation and Forest Degradation, Conservation of Forest Carbon Stocks, Sustainable Forest Management and Increase in Forest Carbon Stock) and the actions provided for in the decree no. 6,527/2008. The limited assurance on confirmation of the application of financial resources disbursed by BNDES as part of the Amazon Fund may not be relevant/applicable for purposes other than those reported in the previous paragraph.

Management's Responsibilities

BNDES Management is responsible for preparing and presenting supporting information related to the services provided, in all material aspects. This responsibility includes establishing and maintaining internal controls, maintaining records and other documents such as manuals, normative, agreements, analysis and communicate any instructions or procedures about project-related topics, such that its free from material misstatement, whether due to fraud or error.

Independent auditor's responsibilities

Ernst & Young Auditores Independentes S.S is responsible to express a conclusion through a limited assurance report on the information that supports the compliance of the Amazon Fund projects, regarding the applicable standards and guidelines of the BNDES Amazon Fund based on the evidence that we have obtained.

Our engagement was conducted in accordance with the Standard NBC TO 3000 – Assurance

Engagement Different from Audit and Review, issued by the Brazilian Federal Accounting Council (CFC – Conselho Federal de Contabilidade) which is equivalent to the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'). The applicable procedures do not represent an exam according to the financial statements' audits standards.

Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, our procedures were designed to obtain a limited level of assurance on which to base our conclusion. Furthermore, the rules that govern this limited assurance process require compliance with ethical requirements, including independence requirements and that the work be performed with the objective of obtaining limited assurance that the information of projects supported with resources from the Amazon Fund, are free from material misstatements.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the information related to destination of the financial resources to the projects supported by BNDES Amazon Fund and applying analytical and other appropriate procedures.

Our procedures included:

- (a) Planning of the work, considering the relevance, coherence, and volume of quantitative and qualitative information, in accordance with the guidelines of the (i) Action Plan for the Prevention and Control of Deforestation in the "Legal Amazon" (PPCDAM), of (ii) the National Strategy for Reducing Emissions from Deforestation and Forest Degradation, Conservation

of Forest Carbon Stocks, Sustainable Management of Forests and Increase in Forest Carbon Stock (ENREDD+) and the actions provided by the decree no. 6,527/2008.

(b) Analysis of supporting documentation prepared by BNDES related to each of the projects that received disbursements in 2023, which are: Analysis Report (Ran), Non-reimbursable financial collaboration agreement signed between BNDES and the beneficiaries, documents proving any changes in the conditions of the contracted operation and Monitoring Reports (RACs).

(c) In-loco inspection, on a sample basis, for the set of projects that received disbursements from the Amazon Fund to obtain physical evidence of their existence.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

The procedures performed and the criteria for issuing this report include certain inherent limitations that may influence the completeness of the information regarding the objective of the report and, consequently, errors or fraud may occur not be detect.

Other Matters

The in-loco inspections performed by EY were based on the simple confirmation of the existence of the project in its location.

It was not part of the scope of this limited assurance, and it was not EY's role to (i) perform inquiries or inspections of financial documents or documents of any other nature during the visit to the projects selected for analysis or to (ii) monitor compliance by the project beneficiaries, on the obligations contracted by BNDES.

Conclusion

Based on the evidence obtained and the procedures performed, we are not aware of any fact that would lead us to believe that the procedures adopted by BNDES are not in compliance, in all material aspects, with the applicable standards and guidelines and the evidence of the destination of the financial resources to the projects supported by the Amazon Fund in 2023.

Restricted use

This report is intended for information and use by the BNDES in fulfilling its duty of transparency towards donors, control bodies and other stakeholders.

Gustavo de Souza Rosa

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May 9th, 2024
Rio de Janeiro, RJ - Brazil