



Letter to customers

Project's timeline

Operations







This report is exclusively intended for all companies, people and organizations that have acquired carbon credits from the **Jacundá REDD+ Project** to offset their emissions.

January, 2021







Letter to customers

Dear customers,

On behalf of Biofilica and our partners in the **Jacundá REDD+ Project**, I have the honor of writing this letter to clients and opening our first activity report that Biofilica has proposed to do annually to report on the activities and progress of its REDD+ projects.

During the internal analysis and decision-making processes within each company where different carbon projects are analyzed, there are generally two major issues raised:

- 1) the allocation and distribution of financial resources for the continuity of the project;
- 2) will the reduced carbon emission, which generates carbon credit, be permanent?

Thus, the main objective of this initiative is to increase transparency regarding the allocation of resources from the carbon credits that were acquired.

Since this report is the first in the series, I understand that it is important to share a little bit of the history of the beginning of the projects and a timeline with the main activities over the years up to the most recent activities. Thank you for choosing our projects to offset emissions from your organizations. We are always available to explain the points presented in case of doubts.

We wish you all a great reading.

Laion Pazian

Commercial Manager
Biofílica Environmental Investments





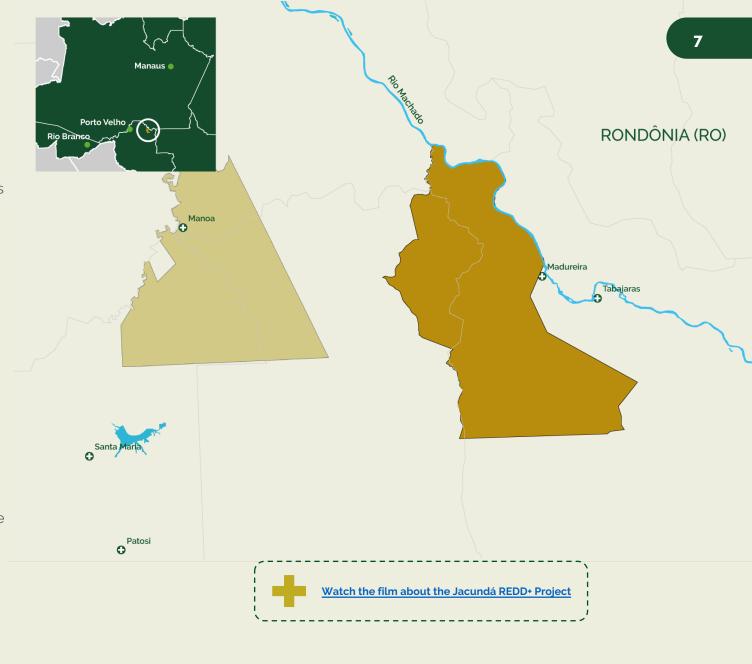
Project's timeline

The **Rio Preto-Jacundá Extractivist Reserve (RESEX)** is a state Conservation Unit created in the 1990s by traditional rubber-tappers families, located in the municipality of Machadinho D'Oeste, state of Rondônia, and has an area of **95,300 hectares**.

The **REDD+ Project** focuses on improving communities' quality of life and on monitoring forest cover and biodiversity. The **RESEX** is located in a region of great pressure due to the predatory exploitation of natural resources. In addition, residents suffer specifically from lack of access to basic services. Community residentes have found a solution in the commercialization of environmental services, which enables them to promote social development and conserve their territory.

Learn more about our certifications:

https://bit.ly/2Ms7mi3





Project's timeline



• • Project start and initial activities

Visits to the area, identification of players and stakeholders, and choosing of partner research institutions

Monitoring of deforestation through satellite images (continuous activity)



• • Technical studies

- Execution of socio-environmental analyses, estimate of carbon stock and establishment of a baseline
- Workshops with researchers, proponents, and the community, presenting results from the studies

Activity planning

- Participative development of the RESEX zonation and Usage Plan
- Participative development of the "Life Plan", with the activities that will be implemented by the project
- Participative development of the mechanism for benefit allocation and the procedure for conflict resolution



• • Validation and Verification

2015 & 2016

CCBS Validation, VCS Validation & Verification – 2013, 2014 and 2015 vintages

Start of sales



Definition of the structure of the Project Management Plan Contracting of local partner to advise and monitor the Project deployment Provision of qualification courses to the community



Project's timeline



• Management Plan execution

- Construction of 1 Community Center with auditorium, cafeteria and computer room
- Installation of antennas for access to the internet and telephone
- 5 new houses
- Technical support to enhance agricultural practices and development of sustainable production chains
- Training in administrative / financial management and provision of computing courses for the community
- Consultancy for accounting and financial management
- Strengthening of surveillance and patrolling, in partnership with SEDAM

- Construction of 7 new houses, 1 lodging, 1 medical clinic, 1 artesian well
- 1 additional antenna for internet / telephone
- Execution of analysis of production chains, focusing on manioc flour, açaí and cashew
- Continuity of technical support and accounting / management-financial consultancy
- Training for the board of directors of the association on financial transactions and cash flow control
- Computing courses for young people of the whole community 24 enrolled students
- Execution of campaign for biodiversity monitoring







Operations

Context and highlights



The RESEX Rio Preto-Jacundá Project has been achieving important progress since its Validation. In this period, we have implemented several actions established in the "Life Plan" developed by the community, which include the construction of houses, a community center, auditorium and cafeteria, a clinic, among others. Important progress was also achieved in regard to empowerment and qualification of the community, which currently has autonomy in the management of the Project. All of this is due to the extensive work performed in partnership with the Centro de Estudos Rioterra, which has provided an important support and consultancy service in the structuring and organization with the Associação de Moradores da RESEX Rio Preto-Jacundá e Ribeirinhos do Rio Machado – ASMOREX (Residents' Association of the RESEX Rio Preto-Jacundá and Ribeirinhos do Rio Machado).



Important political agreements were executed, such as the recognition of the Project and the definition of the management model. In this context, we highlight the event held on the 1st semester of 2019 at **RESEX Rio Preto-Jacundá**, which had the presence of the Governor, Mr. Marcos Rocha, among other authorities, something that shows the importance and representativeness of this Project in the state of Rondônia, **click here** to learn more.



As a negative note, there is the challenge to contain the deforestation in the **RESEX**, with 2,274 hectares deforested in 2019, representing a significant increase **compared to previous years**. Since the beginning of the investments, we failed to define and implement actions that inhibit effectively the illegal actions performed by deforestation agents within the **RESEX** and, due to this, the Project will be penalized in its generation of future credits. Thus, this challenge continues, more than ever, to be a maximum priority in the channeling of efforts to ensure the Project continuity.



Installation of solar panels



Computing courses being provided at the telecommunications center



Operations

2020



In 2020, we had the completion of actions and investments provided for in the **2019/20 Work Plan.**

In this period, the construction of the **medical clinic** and **lodging** was completed, including the acquisition of all the required equipment. Such infrastructure will be vital to ensure the basic health service to the families, and will provide a structure to welcome research teams, partners, and visitors in the **RESEX**.

Also, in this period, the **Production Chain Analysis** was completed, executed by **Pacto das Águas**. This work will be essential for the definition of the action plan for the development of production chains in the next years, providing income generation for the community. Due to the pandemic, the activity of devolution of results to the community is pending and will be rescheduled according to the normalization of the situation in the region.

In this period, the **Biodiversity Monitoring** at RESEX was also initiated, performed in partnership with **Ecoporé**. This activity is fundamental not only to meet the **CCB certification** requirements, but also to assess the environmental impacts of forest degradation in the **RESEX** on the local biodiversity and define the future mitigation and preservation actions required for maintenance of species. The delivery of the report is expected for the first guarter of 2021.

Finally, we recorded the results of the deforestation monitoring through the images of the <u>PLANET</u> satellites. For the year of 2020, all the monitoring reports with the PLANET images were already concluded and, even if the situation is still of alert, it was noticed that since 2018 there has been a reduction in the clearing of deforested areas. When comparing the entire year of 2019 with 2020, there was a decrease of almost 54% in deforestation.



