



REPORT OF ACTIVITIES

JBS FUND FOR THE AMAZON

EMPOWERING PEOPLE TO RECOVER & PRESERVE THE BIOME

YEAR 2
July 2022 • July 2023



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INTRODUCTION

STRONG ECONOMY, STANDING FOREST: NEW AND BETTER WAYS TO PROTECT THE AMAZON

The JBS Fund for the Amazon was created three years ago to support models that preserve and conserve biodiversity. The Fund's work prioritizes value creation and impact investment to support family farmers, forest, traditional and indigenous people.

After a period of research, the organization started a new phase, dedicated to Strategic Planning, finished in December 2022 after a comprehensive search within different spectrums of the ecosystem where it works. Expected to be valid until 2030, the plan developed a Change Theory (CT) for the broader understanding of the impacts that the Fund aims to reach. It states that every approved initiative, even a business, must take into consideration the conservation or the increase

of biodiversity, stimulate poverty and territorial inequality reduction as well respect the scientific and traditional knowledge.

Issues such as education, qualification and empowerment of social organizations are structuring to the biome. From that point on, three big challenges have been spotted: conserving Amazon with investments in bioeconomy inclusive businesses, taking into consideration that only 0,2% of Brazilian Amazon is on forest-related global market products. Restoring degraded areas as well, focusing on the increase of the small farmer productivity, since 30% of Legal Amazon and 87% of its productive areas are maintained by this population, according to Geography and Statistics Brazilian Institute (IBGE).



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This very population has low investment capacity increasing pressure to open new areas. In order to overcome these obstacles, three main axes have been defined – Productive Chains in converted areas, Bioeconomy, and Science and Technology. These axes guide fulfillment of the Fund’s strategy and project selection.

Together, they guarantee economic solutions that promote positive social and environmental impacts, especially for small farmers in the Amazon region and strengthen the Amazon’s sociobiodiversity-based businesses.

In addition, the Science and Technology strand supports disruptive technologies helping to overcome logistics, power and communication barriers through the generation of energy, mobility and connectivity, increasing well-being and making local businesses more competitive.

It is also part of the plan to promote

a more structured ecosystem, moving beyond philanthropic capital. Blended finance structures will be implemented, combining several project support instruments, such as grants, patient capital and/or catalytic investment for non-validated market models.

The fund reinforces its mission of supporting inclusive and profitable businesses, to generate positive impact, through viable self-sustaining models built around standing forest that are more attractive than those related to deforestation.

This is the only way to achieve a better quality of life for the local populations and promote Amazon biome conservation and soil improvement. The organization invites everyone to be part of this journey.

After all, working together, with an integrated cooperation agenda, we can do better and go further.

Picture donated by Celio Cavalcanti Filho





“BEING ABLE TO WORK WITH THE ORGANIZATIONS THAT ARE ALREADY IN THE AMAZON IS THE GREAT LEGACY”

JBS Fund for the Amazon chairwoman Joanita Karoleski, talks about the results of the first years of work and perspectives for the future of the region.

WHAT IS YOUR FUTURE VISION FOR THE AMAZON?

An economic model that deals better with nature is mandatory, one that improves the income and wellbeing of the family agriculturist and peoples of the forest, that increases recovered and preserved areas, and those under good agricultural practice, and expands financial flows to sustainable and impact businesses. For this reason, we support the development of low carbon livestock models, avoiding the opening of new areas and, at the same time, developing business value chains that support standing forest.

In January 2023, we started to implement three axes of action defined in our strategic planning: Productive Chains – open and degraded areas, Bioeconomy and Science and Technology. Together, they strengthen, above all, the productive chains connected to family agriculture, support access to financial resources for businesses that value the standing forest and encourage cross-cutting, structural disruptive technologies supporting bio-product design, as well as mobility, connectivity and energy solutions.

Today, the Legal Amazon has one of the country's lowest Human Development Indicators (HDI). In order to create a socio-economic development model other than the ones imported from the Southeast



Joanita Maestri Karoleski,
JBS Fund for the Amazon Chairwoman

and South regions, we need to change our mindset and work to upskill people. I'd love to see the Amazon developing based on the economy of the forest, with businesses operated by the local population, or at least businesses that generate value for the local population.

WHAT IS THE PRIVATE SECTOR ROLE?

The Amazon region needs a lot of investment. Either public, with the government creating conditions for investment in businesses that protect the forest, or donation, patient or catalytic capital, which is investment for the long-term. In this way, private funds have the potential to be great partners to the government and help boost private capital, reducing the risk for capital flows that do not go to the Amazon today. In this way, a resource can support another one, creating the conditions to unlock even more resources. We need to work as a team, fragmented solutions are not effective.

We need to improve the structural conditions which support business development. Then, we have to increase the added value of products and services.



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Firstly, due to logistics costs, a specific raw material or product will not always be able to compete with those from other regions.

In this scenario, the private sector, using impact investment, can focus on structuring actions to address this. I would say that in an exclusively economic equation it gets harder and harder to make it work. But we've seen several interesting initiatives where companies have created portfolio product lines, generating aggregated value, by investing and thinking long-term.

At the same time, it is important to empower the small farmer, who is under deforestation pressure, has poor access to credit to improve his pastures and practically no tech support.

HOW DOES FUND PERFORMANCE BENEFIT JBS?

The fund was created to generate and test collective solutions for the biome, not necessarily the JBS group business itself. Yet there are opportunities to support sectoral work in this area. One focus is ensuring productive chains in open areas through the testing of new livestock chain models. The idea is to test models that increase the productivity of the areas, recover degraded pastures and provide more value chain transparency – from beginning to end – reducing carbon emissions and increasing small farmer income. We want to test business models that work for the livestock sector and improve conditions for the small farmer, who is the most vulnerable link of the chain.

HOW DOES THE FUND SELECT PROJECTS AND WHAT IS THE STRATEGY TO REMAIN OPEN AND FLEXIBLE TO NEW SOLUTIONS?

We select according to three pillars defined by the strategic planning, trying hard to find proposals that eventually may develop and be self-sustainable. We also analyze the structuring and disruptive role of the proposals. And the most important value

we take into consideration is the social and environmental impact that is generated. We pay close attention to new opportunities and the science and technology axis has attracted many initiatives with the potential to both generate impact and create new biodiversity businesses creating a virtuous cycle. The fund started by exploring different models and ways to make the biggest impact. After two years, we are now focusing our efforts on larger, more structured projects with replicable models or those which are scalable.

WHAT HAVE YOU LEARNT SO FAR?

We have learnt many things, and they were crucial for improving our situation. We understand we must select projects with potential impact and replicability. We also help to create new business models, either those working to support productive livestock chains or the bioeconomy. The private initiative experience has also helped us in supporting communal businesses in more critical areas, like access to the market and administrative and financial management, just to give a few examples. South and southeast models are not necessarily replicable – cultural and identity aspects are very important and must be valued in the way business is done. The choices of the communities must be respected and should be on the table of negotiations and decisions. But I believe that the great legacy is being able to work together with the organizations and institutions that have been in the Amazon for a long time, and which have a history and legitimacy to do what they do. We also think that it's possible to work with several kinds of capital in the Amazon, not only donation. Patient capital, depending on the nature of the initiative might be even more efficient in the mobilization of new resources while creating the conditions for a more assertive management model.

INTRODUCTION





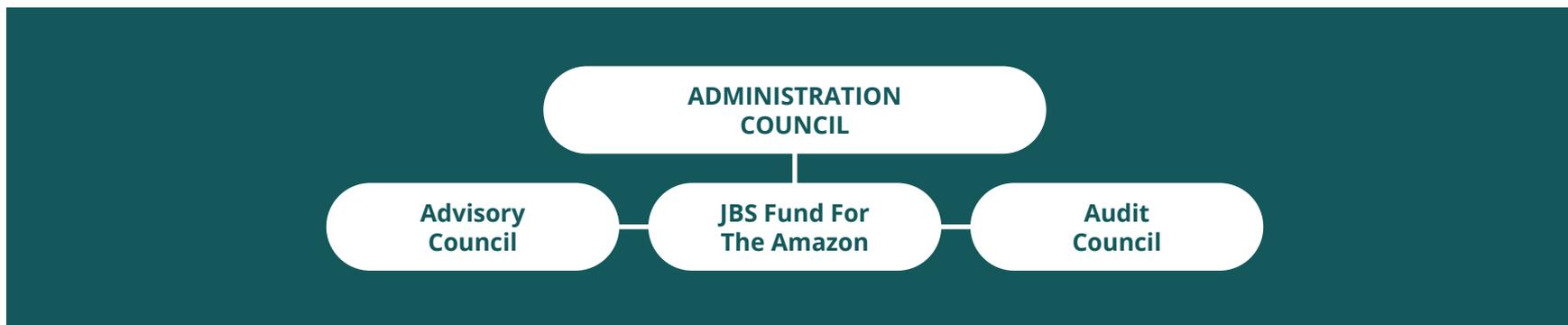
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GOVERNANCE STRUCTURE

The Amazon has a socioeconomic context full of challenges in areas of high socioenvironmental values, which inspire the creation of new development models. With that in mind, the JBS Fund organizational structure for the Amazon is assisted by an external and independent governance, composed by an Administrative Council, Advisory Council, Audit Council and ad hoc experts. This new configuration was vali-

dated by the Strategic Planning, conducted throughout 2022, which has proposed the end of the technical committee and the re-shaping of the Advisory Council. The members of this council periodically monitor the fund performance. Changes have been made in order to ensure more objectivity and capacity of adaptive management, more potential of wider focus and impact capacity.



INTERNAL TEAM



JOANITA KAROLESKI
CHAIRWOMAN



ANDREA AZEVEDO
EXECUTIVE DIRECTOR



LUCAS SCARASCIA
PROJECTS MONITORING AND OPERATIONS MANAGER



CONRADO MELLO
NEW PROJECTS AND BUSINESSES MANAGER



MARCELA HADDAD
COMMUNICATION COORDINATOR



THAIS MEGID PINTO
MONITORING PROJECT SPECIALIST



SÂMERA ADÃES*
MONITORING PROJECT SPECIALIST



THAYNÁ GONÇALVES
JUNIOR MONITORING PROJECT ANALYST



CAROLINE MUNIZ*
OPERATIONS COORDINATOR



ARIELLY BARBIERI
SENIOR ADMINISTRATIVE ANALYST



CAMILE VITÓRIA SOARES
OPERATION INTERN

** Worked in the organization until July 2023*



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ADVISORY COUNCIL

The Advisory Council is a fundamental part of the JBS Fund for the Amazon. Its role is ensuring both the independence and impartiality of the organization and identifying opportunities and risks. Thus, it is composed by leaders from different

sectors (Private, Third Sector and University) that work in distinct fronts in the Amazonian biome. They are mostly driven by credibility and transparency, working as volunteers in the Fund, and take part at the elaboration of strategies and institutional policies. Meet each one of them:



Alessandro
Carlucci
BSR



André
Guimarães
IPAM



Beto
Verissimo
Imazon



Caio
Magri
Ethos Institute



Carlos
Nobre
IEA USP



Fábio
Barbosa
Natura & Co



Julio Javier
Garros
Bunge



Marcio Sztutman
The Palladium
Group/P4F



Marina
Grossi
CEBDS*



Ronaldo
Iabrudi
ESG Adviser



Susy Midori
Yoshimura
Carrefour



Teresa Vendramini
Brazilian Rural
Society

GOVERNANCE



* Brazilian Business Council for Sustainable Development



CHALLENGES

SOCIAL

The Legal Amazon concentrates one of the greatest poverty rates in Brazil, reflected in four aspects: employment, connectivity, education and mobility. The region has 5,5 million informal workers and 28% of the population aged 15 to 17 are out of high school. Only 55% of the urban areas inhabitants have access to broadband internet.

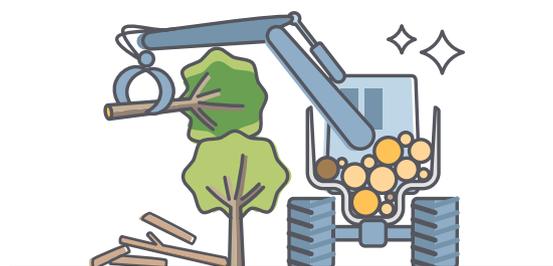


47%

of the population in Amazonas state (1,9 million people) live under the poverty line (2019)

ENVIRONMENTAL

According to data accumulated until 2021, some 21% of the Brazilian Amazon had already been deforested, accounting for an area bigger than 830,000 km², almost the size of Germany and France together. The biggest part of the 10 towns that deforested the most between 2004 and 2021 are concentrated in Pará's southeast.



21%

of the Amazon have been deforested. This reduces the rain production from the forest, impacting the rest of the country

ECONOMIC

Only 0.2% of the Legal Amazon is on the global market of products related to the forest. Besides that, these products are not seen in the national accounts because a series of barriers, for example, the lack of data and market intelligence of the major bio-economy chains. Another big challenge is increasing the livestock productivity in converted areas. In that sense, the recovering of degraded areas is a strategic focus to the rural economy in the Amazon.



0.2%

of the Brazilian Amazon is on the global market of products related to the forest

Sources: The Amazon in data, Amazon 2030, Antaz, PNAD, IBGE, Prodes-Inpe and Previsia System





OPPORTUNITIES

BIOECONOMY BUSINESS GENERATION

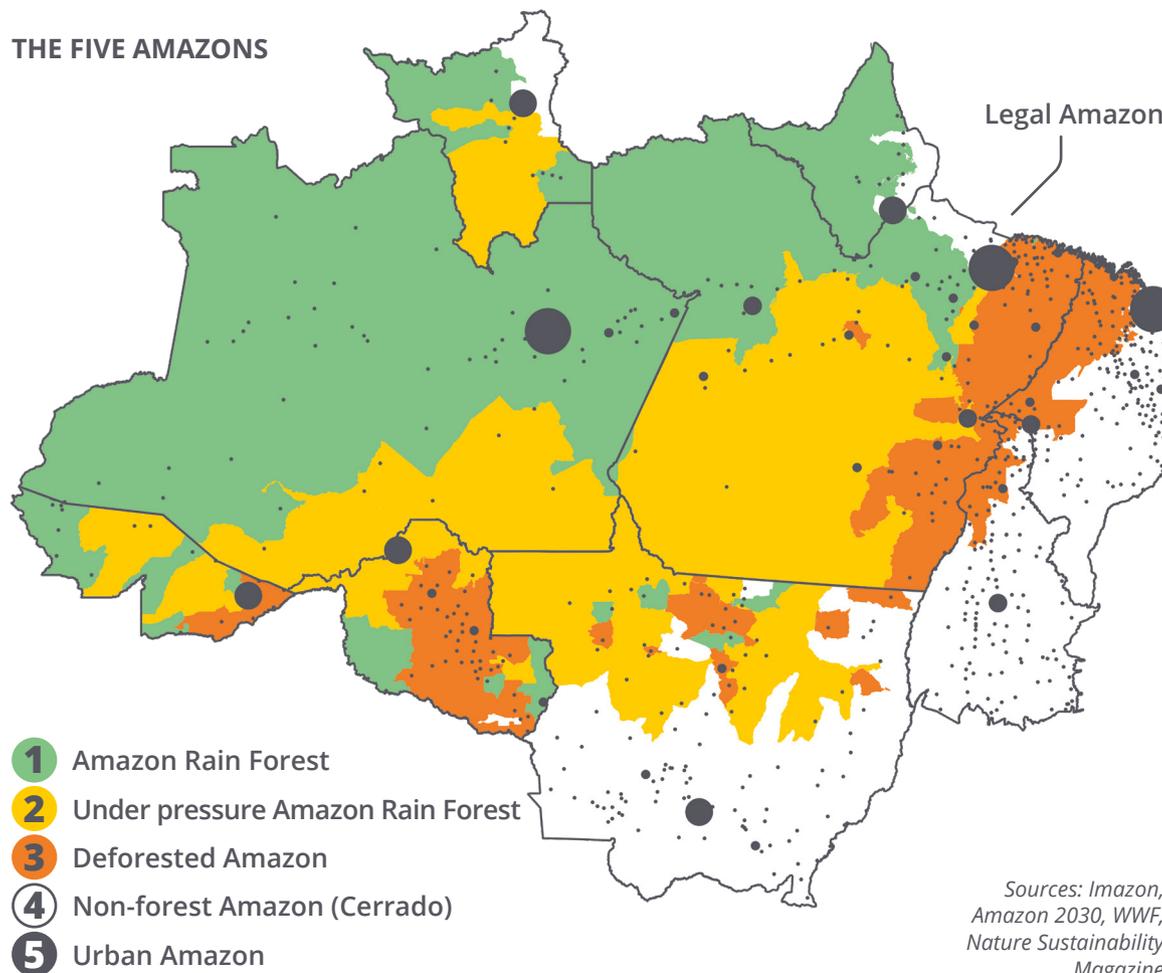
Despite devastation, 80% of the Amazon rain forest is still standing. It is estimated that, with its natural resources preserved, it could offer about U\$ 7 trillion in economic opportunities. Products compatible with the forest such as cocoa, acai and chestnut, could yield more than US\$42.1bn in exports alone for the region if prioritized and well managed.

** Converted from
Brazilian reais to the US
dollar on July 31st*

RECOVERY OF DEGRADED AREAS

86 million hectares have already been deforested in the Amazon. Around 64% of this area is occupied by low productivity livestock, which creates few jobs and low income. On the other hand, it is estimated that by increasing productivity, 37 million hectares would be free for diverse cultivations or forest regeneration.

THE FIVE AMAZONS



STRATEGIES



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THEORY OF CHANGE

The Theory of Change is a methodology developed to transform a reality, studying its root-causes and the strategies and actions capable to promote a change in the context.

The JBS Fund for the Amazon acting was built from this methodology defined during the process of strategic planning in 2022, with the assistance of Paladium consulting.



USE YOUR PHONE CAMERA TO ACCESS THE VIDEO ON CHANGE THEORY

CHALLENGES

DEGRADED AREAS WITH LOW PRODUCTIVITY

LACK OF SCALABLE BUSINESS MODELS THAT CAN PRESERVE THE FOREST AND GENERATE LOCAL INCOME

STRATEGIES

BARRIERS

Institutional vulnerability of local organizations

Precariousness of basic local infrastructure

Difficulty in capital access in adequate amount and conditions to the impact businesses

Difficulty in accessing markets

Lack of qualified Technical Assistance and Rural Extension (ATER) and trained workforce

ACTION AXIS

PRODUCTIVE CHAINS IN OPEN AREAS
Develop business models capable of increasing local productivity and reduce the pressure for new deforestations

BIOECONOMY
Develop initiatives and businesses that support forest preservation with the inclusion of local populations

SCIENCE AND TECHNOLOGY (Transversal) It fixes structural bottlenecks with improvement in connectivity, mobility and renewable energy. Enhance the value of the standing forest

IMPACT

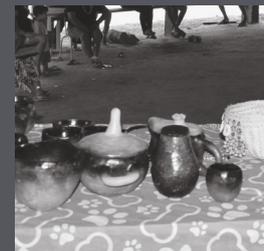
Increase income and social well-being of the local populations

Increase restored areas, in good management practice or under conservation

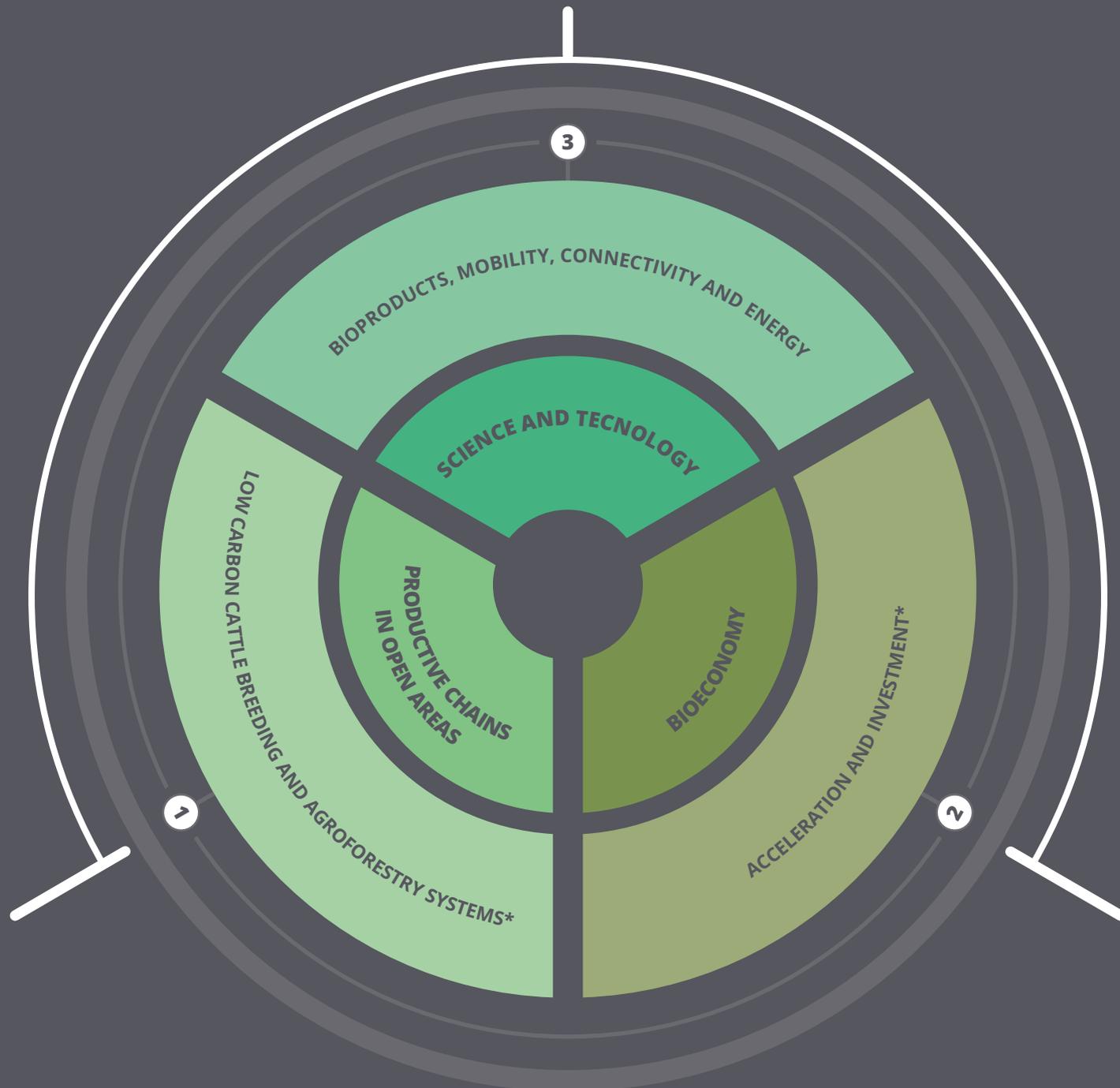
Grow financial flows to impact businesses



AXES, PROGRAMS AND PROJECTS OF JBS FUND FOR THE AMAZON



WITH THE IMPLEMENTATION OF THE STRATEGIC PLANNING, THE FUND IS ORGANIZING ITS WORK IN THREE BIG THEMATIC AXES: SCIENCE AND TECHNOLOGY, PRODUCTIVE CHAINS/OPEN AND DEGRADED AREAS AND BIOECONOMY



1

Develop business models capable of increasing local productivity and reduce pressure for new deforestations

2

Develop initiatives and businesses that support forest preservation with the inclusion of local populations

3

(Transversal) It fixes structural bottlenecks with improvement in connectivity, mobility and renewable energy. Enhance the value of the standing forest

** The programs are in the elaboration phase*

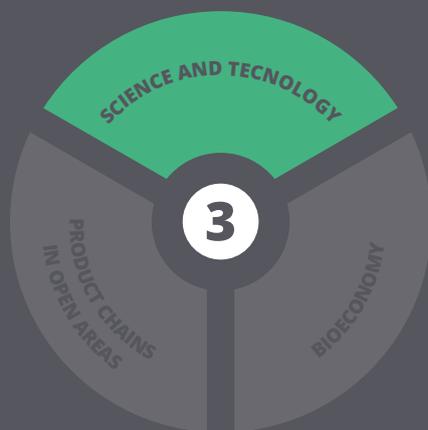
AXES AND PROJECTS



- RestorAmazon
- Sustainable Cocoa Corridor



- Inclusive Community Economies
- Unlocking Credit for Forestry Bioeconomy
- Indigenous hands, Standing Forest
- AMAZ Impact Accelerator
- Fair and Sustainable Fishing
- The Amazon at Home, Standing Forest
- Education for Youngsters in Amazonian Extractive Reserves
- Bluebell – Study of Valorization of the Actives in Resex Areas
- Panel of the Forest
- The Amazon That Inspires – Phase I
- Technical Assistance for bioeconomy in Amazon: from challenges to solution



- InovaAmazon
- Geoflora*
- The Amazon Bioplastic – Green Polypropylene
- The Amazon Proteins
- New Technologies for Ribeirinhas Vessels
- Peoples of the Forest Connection

* Geotechnologies Applied to Forestry Automation and Spatialization of Carbon Stocks in Forestry Ecosystem in the Amazon



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AXIS 1

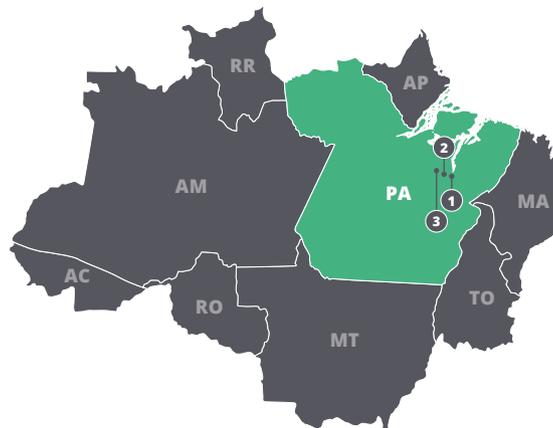
PRODUCTIVE CHAINS IN OPEN AREAS

RestorAmazon

START: JUNE 2021

FINISH: JUNE 2026

RestorAmazon makes the productive restoration and the socioeconomic inclusion of family agriculturists in the region of Pará Transamazonic possible. Through technical assistance and improvement of territorial governance, the initiative promotes low carbon agriculture with the installation of agroforestries – having cocoa as the flagship – combined with sustainable livestock and forestry conservation.



WORK PLACE

- 1 Novo Repartimento
- 2 Pacajá
- 3 Anapu



US\$ 2,3 MILLION*

in resources, from different sources, have been raised by RestorAmazon, in order to complement the project actions in livestock areas, environmental legalization process, technical assistance and rural extension, carbon credit, and so on

** Converted from brazilian reais to the US dollar on July 31st*

GOALS

- Benefited Families: 1,500
- Restored areas with cocoa agroforestry systems (SAFs): 1,500 hectares
- Area under good practice of management:
 - 31,500 hectares of pastures, being 1,5 ha of rotated pasture
 - 1,850 heads of cattle in the rotated system (2 years)
 - Livestock productivity grew from 3 arroba/ha/year to 17,32 arroba/ha/year (goal: 15 arroba/ha/year)
- Reduction of deforestation rate: 50%

PARTNERS

Solidaridad



FOUNDATION

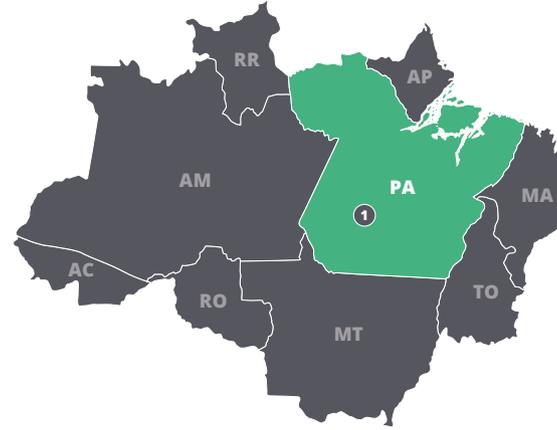


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Sustainable Cocoa Corridor

FINISHED

Sustainable Cocoa Corridor fosters the development of a model of Local Productive Arrangement (cluster), to the production chain of traceable cocoa in southwest Pará, a state hub producer, through the multistakeholder articulation, considering the organization of companies, cooperatives, NGOs and the government aiming to promote the agroforestry production of free deforestation in Pará state, creating good work conditions and income as well. The JBS Fund for the Amazon supported the Project for developing the governance model for the corridor.



WORK PLACE

- 1 State's Southwest Region

GOALS (in 10 years)

- Restored area by SAFs: 45,000 hectares
- Increase of producers direct income: 30%
- Aggregated value: US\$ 145 million*
- Workstations: 60,000
- Increase of national cocoa supply: 90,000 tons

* Converted from
brazilian reais to the US
dollar on July 31st



PARTNERS

SYSTEMIQ

AXIS AND PROJECTS



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AXIS 2

BIOECONOMY

Inclusive Community Economies

START: JUNE 2021

FINISH: JUNE 2024

They develop and strengthen the açai productive chain in the communities of Bailique and Beira Amazonas with the Amazonbai cooperative model (AP) as a reference. They support the product certifications, agroindustry constructions, automatization for traceability and processes management, research, women and young people's training and qualification.

AMAZONBAI

- Sustainable Production
- 144 families directly benefited
- 2,570.05 ha certificated
- + 144 tons of carbon kept and confirmed
- MP Traceability

AMAZONBAI AGROINDUSTRY

- Annual production - 58 tons
- Authorized for exporting



WORK PLACE

- 1 Macapá, in the communities of Bailique and Beira Amazonas



In March 2023, the initiative launched Future, an endowment fund focused on financing schools in the Amazon

RESEARCH

- Investment: UEAP labs
- Water analysis - installation of Water Treatment Stations

PARTNERS



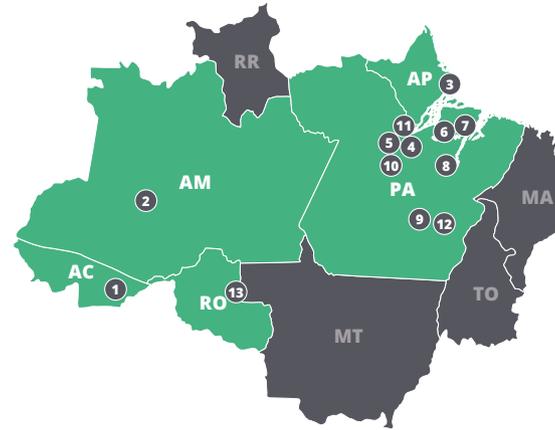


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Unlocking Credit For Forestry Bioeconomy

START: JUNE 2021
FINISH: JUNE 2023

The project assists family agriculturists and bioeconomy extractivists in accessing the rural credit of Agricultural Family Strengthening National Program (Pronaf), one of Amazon Bank (Basa) credit lines through a network of credit activators. The initiative is formed by qualified technicians in financial education with great knowledge of the territory.



WORK PLACE

- 1 Rio Branco
- 2 Carauari
- 3 Bailique
- 4 Altamira
- 5 Belterra
- 6 Breves
- 7 Curralinhos
- 8 Novo Repartimento
- 9 São Félix do Xingu
- 10 Medicilândia
- 11 Porto de Moz
- 12 Tucumã
- 13 Ji-Paraná



Until June 2023 445 contracts have been closed for financing US\$ 468 thousand* to community based businesses, facilitated by 41 hired technicians

GOALS

- Benefited families: 2,500
- Hectares under technical orientation: 80,000 hectares
- Trained technicians: 101
- Effected credit: US\$ 4 million*

DELIVERIES

- Effected credit contracts: 445
- Rural Environmental Registrations (CARs): 445
- Contracts under analysis by BASA: 185
- Authorized Credit: US\$ 468,000*
- Benefited families: 1,733
- First time credit takers: 44% women

"For us, the project is very satisfactory, thus it increases quality production and local income, includes women and young people in the production chains and strengthens the region's economy", states Gracionice Correa, president of Manejaí cooperative, from Portel, Marajó Island (PA)

* Converted from brazilian reais to the US dollar on July 31st

PARTNERS



AXIS AND PROJECTS



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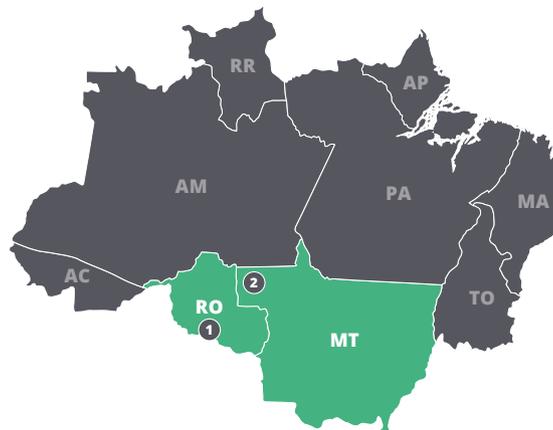
AXIS 2 BIOECONOMY

Indigenous Hands, Standing Forest

START: AUGUST 2022

FINISH: JANUARY 2024

The project aims to strengthen economic initiatives associated with chestnut value chains, handicraft and seed collecting to be used in forest restoration, through training in good practices, infrastructure implementation and access to new markets.



WORK PLACE

- 1 Indigenous lands (TI)
- 2 Northwest MT



In June 2023, the first Seed Storing and Analysis Center of Amazon Bioeconomy Seed Network (Reseba) of Rondônia was inaugurated

Construction of 3 shacks for stocking and chestnut warehouse



Handicraft marketing at selling centers in São Paulo

HIGHLIGHTS

- Benefited families: 606
- 1,6 million of hectares preserved and/or under management improved/recovered
- Average increase of craftswomen's income: 82%
- Chestnut production amount (2022/2023): 164 ton (2,2 benefited ton)
- Chestnut profit: US\$ 318 thousand*

* Converted from Brazilian reais to the US dollar on July 31st

PARTNERS





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AMAZ Impact Accelerator

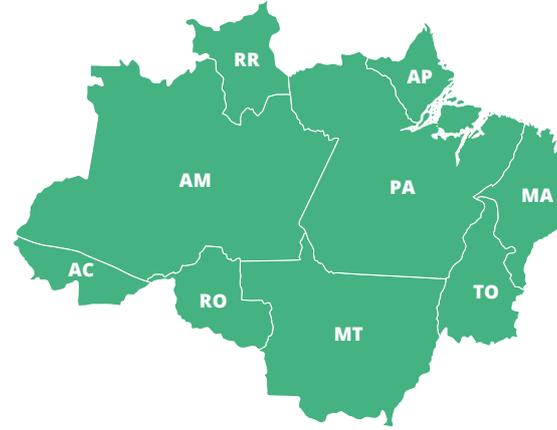
START: JUNE 2021
FINISH: DECEMBER 2030

Coordinated hybrid investment fund (or blended finance) for business acceleration, leveraging the forestry ecosystem, stimulating the entrepreneur environment and supporting investors. The accelerated businesses generate positive impact in the Amazon, help keep the forest standing and, at the same time, increase the income to the region's populations. After a six month Acceleration Journey, the projects have the opportunity to receive US\$ 127,000* (converter) to invest in their own growth.

GOALS

- Impacted Families: 10,000
- Supported businesses: about 30 (4 to 6 per year)
- Indirectly preserved area: 5 million hectares
- Accelerated businesses until June 2023: 11

* Converted from
brazilian reais to the US
dollar on July 31st



WORK PLACE

- 1 Legal Amazon



PARTNERS

idesam

AXIS AND PROJECTS



JBS FUND FOR THE AMAZON YEAR 2 ACTIVITY REPORT

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AXIS 2

BIOECONOMY

Fair and Sustainable Fishing

START: JUNE 2021

FINISH: JUNE 2026

Increasing income for 55 riverside communities working in the sustainable management of pirarucu fish, located in Middle Juruá Resex (Extractivist Reserves), Low Juruá Resex, Uacarí RDS (Sustainable Development Reserves) and Deni Indigenous Lands from Xeruã River.

RESULTS

- Fishing Chain Study in the Amazon and management of the association
- Technical Project and Budget for Pre-processing Boat
- Animal health analysis of fishing chain and technical support for reconstruction and improvements of the fridge



WORK PLACE

- 1 Carauari
- 2 Itamarati
- 3 Juruá

PARTNERS



Amazon At Home, Standing Forest

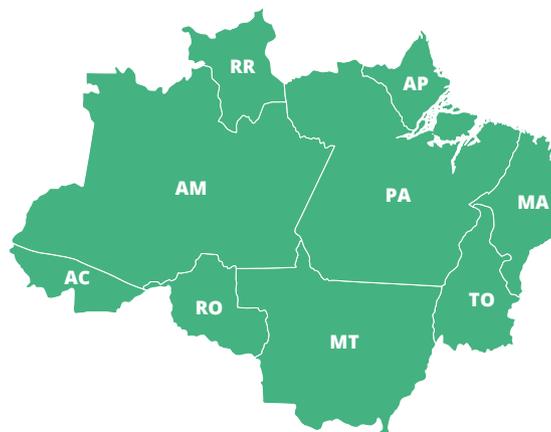
START: 2023 2ND SEMESTER

FINISH: DECEMBER 2023

Group that fosters impact sustainable productive and venture chains. It promotes access to the Amazonian sociobiodiversity product market. The initiative generates values for standing forestry chains and generates job opportunities and income for families and local communities.

GOALS

- Develop the business model of the groups brands in the Amazon at Home, Standing Forest, so it turns out to be a systemic and sustainable solution for leveraging the sales and the access strategies to Amazonian venture Market



WORK PLACE

- 1 Legal Amazon

PARTNERS





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Education for Young People in Amazon Extractivist Reserves

START: 2023 1ST SEMESTER
FINISH: DECEMBER 2023

The initiative aims to develop a Professional and Technical Education Program to young people at Extractivist Reserves (Resex) and a pilot project to young residents in Chico Mendes Resex, Acre state.

GOALS

- Improvement in the quality life through a professional education program as an incentive to young people and the next generations living in the Resex; increase economic opportunities for extractivist reserves



WORK PLACE

- 1 Amazon Extractivist Reserves
- 2 Chico Mendes Extractivist Reserve



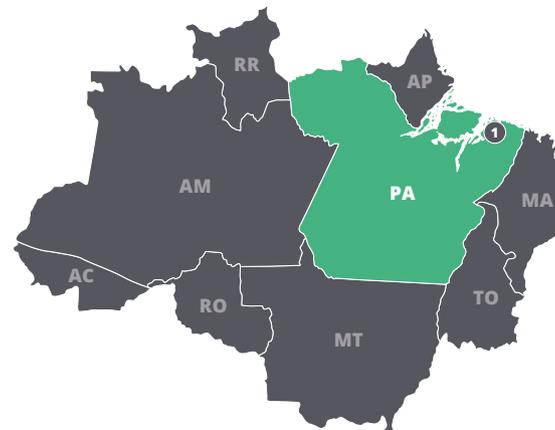
PARTNERS



Bluebell • Valuation Study of Environmental Assets in Resex Areas

FINISHED

Analysis of legal pre-viability for the development of project(s) of environmental valuation of Bluebell company Index in Iriri River Resex, including challenges and opportunities for carbon credit transactions in Resex areas with the participation of the residents' association.



WORK PLACE

- 1 Middle Land

AXIS AND PROJECTS



PARTNERS





JBS FUND FOR THE AMAZON YEAR 2 ACTIVITY REPORT

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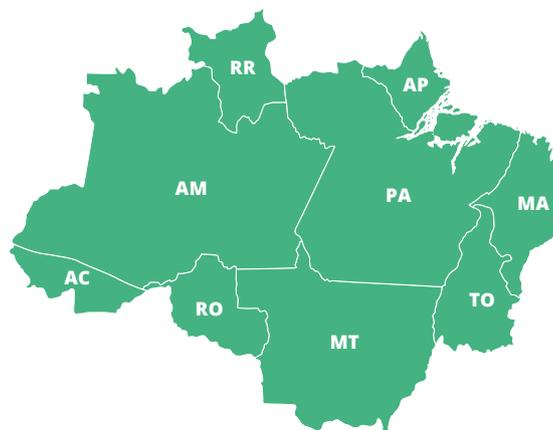
AXIS 2 BIOECONOMY

Panel of the Forest

CONCLUDED (1ST PHASE)

FINISH: DECEMBER 2023 (2ND PHASE)

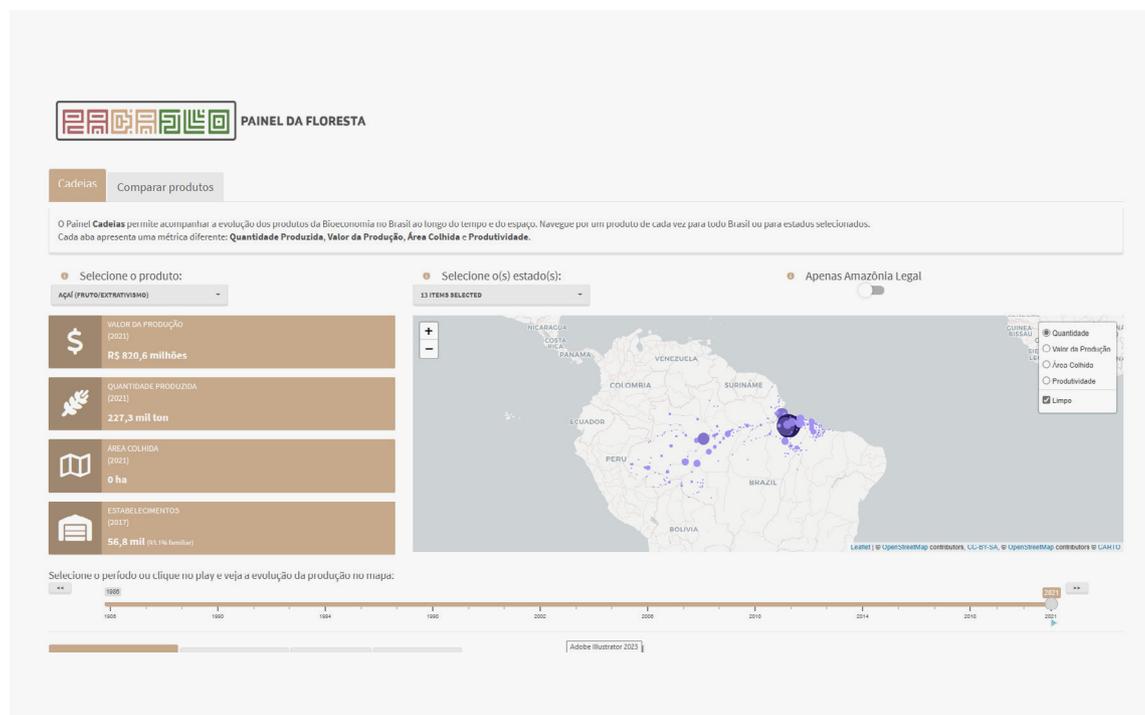
In a first phase, the project developed a data panel that unites and integrates information about three of the Amazon rainforest productive chain: açai, cocoa and babaçu, with the perspective of extending the same analysis to three sociobiodiversity chains. It started from statistics collect in 35 years, between 1986 and 2021, by Geography and Statistics Brazilian Institute (IBGE). It allows the visualization of the production value, weight in tons and region. It is also possible to compare the evolution of Bioeconomy's different products in Brazil throughout the years. The



second phase will include new chains and other data sources.

WORK PLACE

1 Legal Amazon



USE YOUR PHONE CAMERA TO ACCESS THE PANEL SITE
The website allows the follow-up and to compare the evolution of the products of Brazil's Bioeconomy throughout time and space

PARTNERS



UMA CONCERTAÇÃO PELA
AMAZÔNIA



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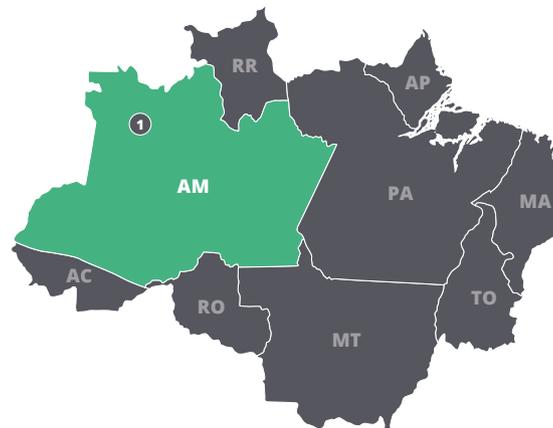
Inspiring Amazon • Phase 1

CONCLUDED

The project aims to tackle the economic challenges faced by women in traditional communities in low Amazonian region. The first phase was a research to the development of a program for leveraging female ventures.

GOALS

■ **Local diagnostic of the productive chains considered in the project (characteristics, ventures, challenges and opportunities)**



WORK PLACE

1 Low Amazon

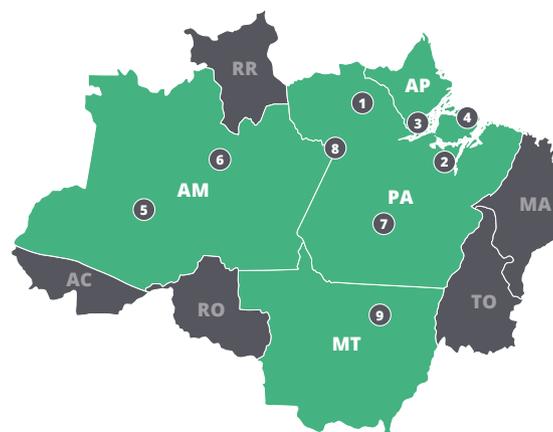
PARTNERS



Technical assistance for bioeconomy in the Amazon: from challenges to solution

CONCLUDED

The study was done using primary data considering over 80 interviewed subjects in order to understand the needs of Technical Assistance and Rural Extension (ATER) in the Amazon sociobiodiversity chains. More than 65 organizations that work or that could perform ATER were analyzed and multis-takeholder actors attended five workshops. This activity chain resulted in five action plans related to ATER institutional arrangements for five biodiversity productive chains of Amazonian biodiversity (açai, cocoa, andiroba, chestnut and pirarucu) and an analytical publication with the most important solutions about the topic.



WORK PLACE

- 1 Low Amazon
- 2 Low Tocantins
- 3 Amazonic Amapense Estuary
- 4 Marajó
- 5 Middle Juruá
- 6 Middle Solimões
- 7 Middle Land
- 8 Transamazonic
- 9 Xingu

PARTNERS



AXIS AND PROJECTS



JBS FUND FOR THE AMAZON YEAR 2 ACTIVITY REPORT

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AXIS 3

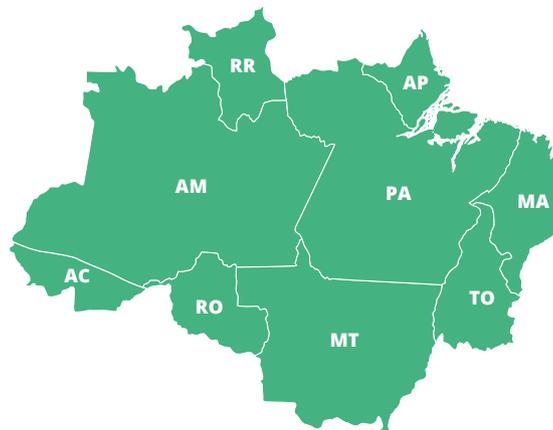
SCIENCE AND TECHNOLOGY

InovAmazon

START: AUGUST 2022

FINISH: AUGUST 2025

Stimulation and development of innovative solutions and plant based ingredients for the food industry from Amazonian biome native species. Seven researches will be financed for evaluating the potential use of forestry native species for the development of new ingredients and capable products to be used in the plant-based food market.



WORK PLACE

1 Amazonian Biome



"More than a resource for researches and new plant-based products, this investment may transform lives and protect one of the planet's most important biomes". Luciana Fontinele, InovAmazon project coordinator

GOALS

- Financing of seven researches
- Seven chains: açaí, babaçu, cocoa, Brazil chestnut, cupuaçu, guaraná and tucumã plus Fungi/mushroom
- Eight universities/institutions for shared researches
- Eight ingredients/products to plant based market: proteins, oil, fibre, bioactive compounds, pigments, flavorings, protein flour, flavoring agent

PARTNERS





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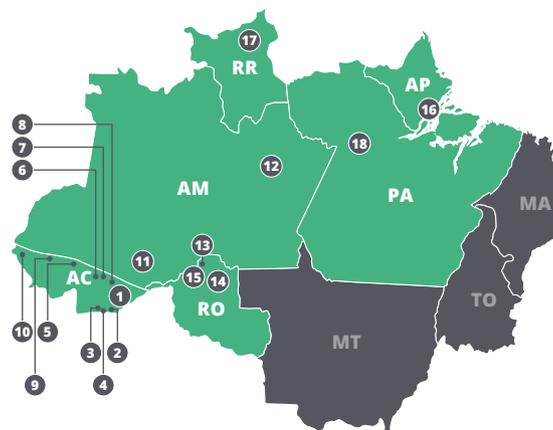
Geoflora*

START: AUGUST 2022

FINISH: AUGUST 2025

Research project to validate the carbon dynamics of the forestry species in different soil usage through state-of-the-art technology, producing results that will contribute for the monitoring of Greenhouse Gases (GEEs), of deforestation, as well as valuation of Amazonian environmental assets.

Artificial Intelligence capable of recognising 57 species and contemplated situation, allowing trained algorithmic for detecting: açai, palm trees, clareiras, dead trees and cecropias and wood logs



WORK PLACE

- 1 Rio Branco
- 2 Xapuri
- 3 Brasileia
- 4 Epitaciolândia
- 5 Feijó
- 6 Manoel Urbano
- 7 Sena Madureira
- 8 Bujari
- 9 Tarauacá
- 10 Cruzeiro do Sul
- 11 Boca do Acre
- 12 Manaus
- 13 Jamari
- 14 Itapuã do Oeste
- 15 Porto Velho
- 16 Macapá
- 17 Boa Vista
- 18 Santarém

30,000 hectares

is the mapped impacts by the project

GOALS

- Data bank with 50,000 images catalogued for forestry species of economic interest
- Algorithmic for forestry inventories of both timber and non-timber species of the Amazon
- Dynamic estimate models, biomass supplies and biomass maps to subsidize public policies (carbon stocks) and deforestation monitoring
- Provision of high precision and low cost state-of-the-art technology

* Applied Geotechnologies to Forestry Automation and Carbon Stocks Space in Forestry Ecosystem in the Amazon

PARTNERS





JBS FUND FOR THE AMAZON YEAR 2 ACTIVITY REPORT

JULY 2022 • JULY 2023

AXIS 3

SCIENCE AND TECHNOLOGY

Amazon Bioplastic • Green Polypropylene

START: SEPTEMBER 2022

FINISH: MARCH 2024

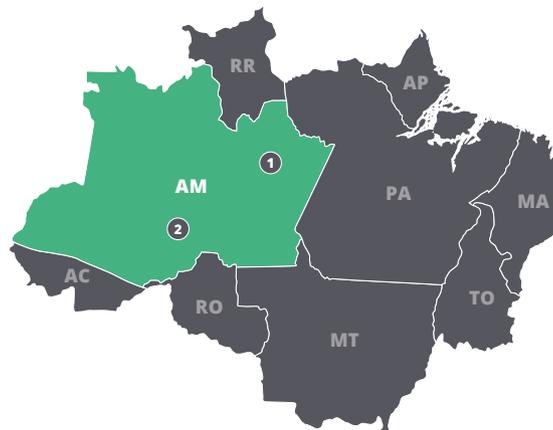
With the support of the universities in research, it develops a biocompound for replacing the polypropylene (PP) using hehhehog fibre of Pará-chestnut collected by five communities from Lábrea (Amazonas State). It enhances the bioeconomy innovation of Manaus Free Zone.

DELIVERY

- Six research grants

GOALS (SCALE PHASE)

- Production: 1,260 tons
- Reduction of CO2 emissions: 336 tCO2e
- Generates income and benefits 40 families (directly) and 400 (indirectly)



WORK PLACE

- 1 Manaus
- 2 Lábrea

PARTNERS



Amazon Proteins

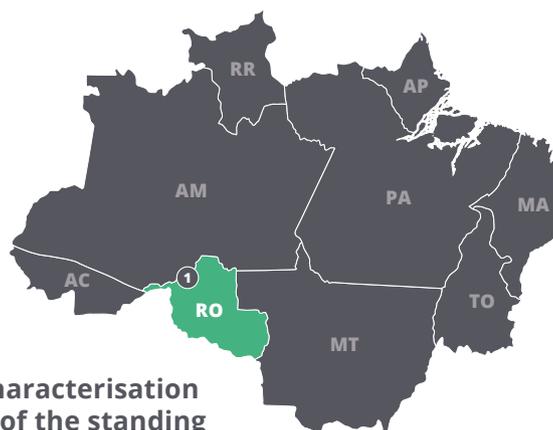
START: AUGUST 2022

FINISH: JULY 2023

Initiative aimed to the development of alternatives for the extraction of vegetal proteins of Pará's chestnut and cupuaçu subproducts and applications in the food industry.

GOALS

- Technological mapping, viability study, characterisation and concept proof study. The preservation of the standing forest in high pressure areas of deforestation is this study's core impact, which is done in the District of New Califórnia and in Porto Velho, in Rondônia state



WORK PLACE

- 1 Porto Velho, district of New Califórnia

PARTNERS



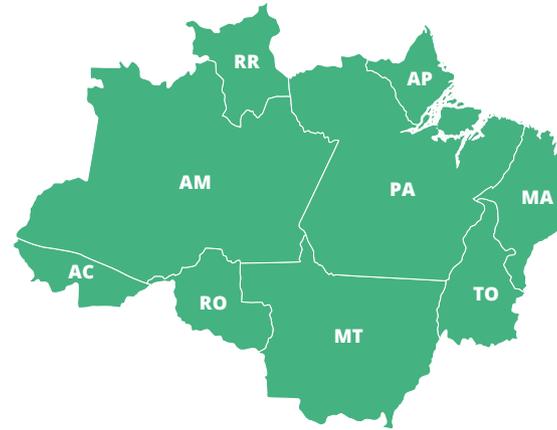


JBS FUND FOR THE AMAZON YEAR 2 ACTIVITY REPORT
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New Technologies for Ribeirinha vessels

START: OCTOBER 2022
FINISH: MARCH (1ST PHASE), AUGUST (2ND PHASE)
AND 3RD PHASE IN EVALUATION

Technology mapping for the eletrification of small vessels in the region. The project aims to “pivot” the development of small electric vessels in the Amazon and stimulate new markets in providing accessibility, logistic and life quality to the people in a sustainable and clean way.



WORK PLACE

- 1 Legal Amazon



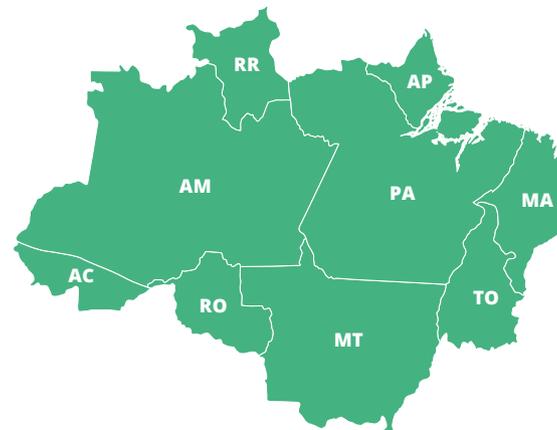
PARTNERS



Forest People Connection

START: JANUARY 2023
FINISH: JUNE 2023

The Project had the mission of taking internet to one million people (more than 4,000 Amazonian communities, indigenous traditional communities, quilombolas and extractivists included).



WORK PLACE

- 1 Amazonian Biome

AXIS AND PROJECTS



The fund supported the pilot with the internet installation in 43 communities and 22 kits installed in indigenous communities

PARTNERS





JBS FUND FOR THE AMAZON YEAR 2 ACTIVITY REPORT

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JBS FUND FOR THE AMAZON IN NUMBERS (UNTIL JUNE 2023)

IN TWO YEARS OF WORKING

US\$ 13,27 million* committed

** Converted from
brazilian reais to the US
dollar on July 31st*

1,92 MILLION

of preserved hectares and/or under improved/recovered management



**+5
THOUSAND**
BENEFITED
FAMILIES

19
SUPPORTED
PROJECTS
(6 FINISHED
PROJECTS)

96
BUSINESSES
(COMMUNAL AND
INDIVIDUALS)
SUPPORTED,
BEING 60
INDIGENOUS
INITIATIVES

IMPACTS





JBS FUND FOR THE AMAZON YEAR 2 ACTIVITY REPORT
JULY 2022 • JULY 2023



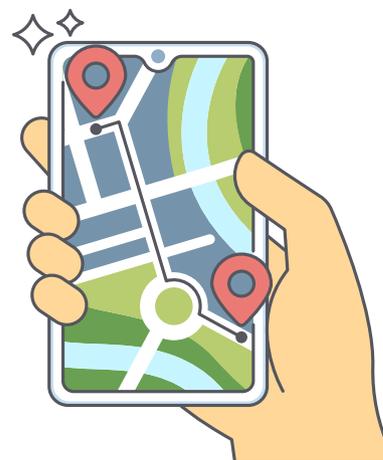
US\$ 445 THOUSAND* IN CREDIT UNLOCKED TO BIOECONOMY BUSINESSES

38
EXECUTION
PARTNERS
(IMPLEMENTING)
THE PROJECTS

** Converted from
brazilian reais to the US
dollar on July 31st*

**19 CONSERVATION AREAS AND
INDIGENOUS LANDS SUPPORTED**

**5 FINANCIER
PARTNERS**



INTERNET AVAILABILITY VIA
SATELLITE TO SOME

43 communities

IMPACTS



PROJECT MONITORING: PARTNERSHIP THAT GOES BEYOND

The Project Monitoring area of JBS Fund for the Amazon worked with 19 projects in the last 12 months, of different levels of complexity and formats. The sector performance not only followed the advances of the deliveries as contributed pro-actively in the search of solutions for overcoming the challenges and in the identification of opportunities and integration among the initiatives.

Formed by specialists in impact monitoring, the team uses a set of specific tools, disbursement schedule and work plan, along with the donation instrument, the fund acts in donation format with costs, where the expected return are the impacts proposed by the projects.

Having the instrument signed, the team organizes, in partnership with the operation area, the starting meeting, beginning officially the project execution. The systematic follow-up is done through weekly meetings and/or monthly of monitoring, depending on the level of the projects complexity. When necessary, visits in loco are done to check the advances, approach with the executor partner and beneficiary public. But the work goes beyond.

“Our role is not donating the resource and ask for the numbers. We experience the project with our partners and beneficiaries, we identify opportunities and together search for solutions. That’s why we go to camp for listening to the people and comprehend their challenges”, states Lucas Scarascia, monitoring and operation manager.

Caroline Muniz, Operation and Control coordinator, believes that the integration among the areas is extremely important. “This interaction provides more engagement and a powerful synergy among the teams, benefiting the communities as well. Through this unity, we have more chances of achieving the expected results”.

All the work is directed by the Mana-

gement Monitoring and Follow-up spreadsheet (MAG). “MAG is a data bank that combines the indicators and the budget and the projects activities schedule. Through this we monitor the advancements and their actions”, explains Thais Megid Pinto, monitoring specialist.

Sâmera Adães, monitoring specialist, reinforces the partnership. “We want the movements to take place, especially respecting the Community and the local partners. We get involved and feel what the partners do”, she emphasizes.



Visit of the Project Monitoring specialist, Sâmera Adães, to Carauari-Amazonas State, in the River Juruá watershed

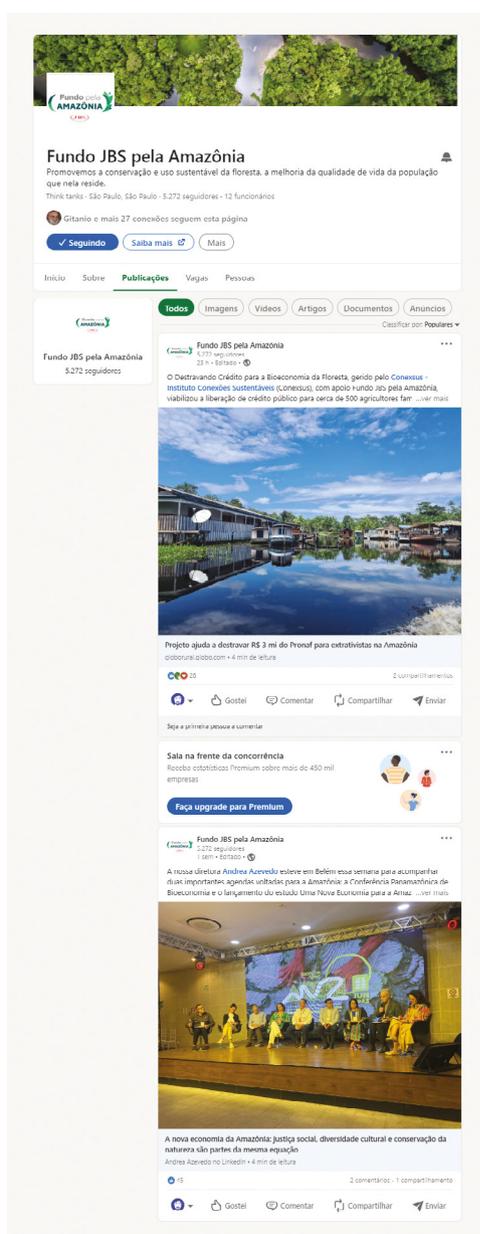


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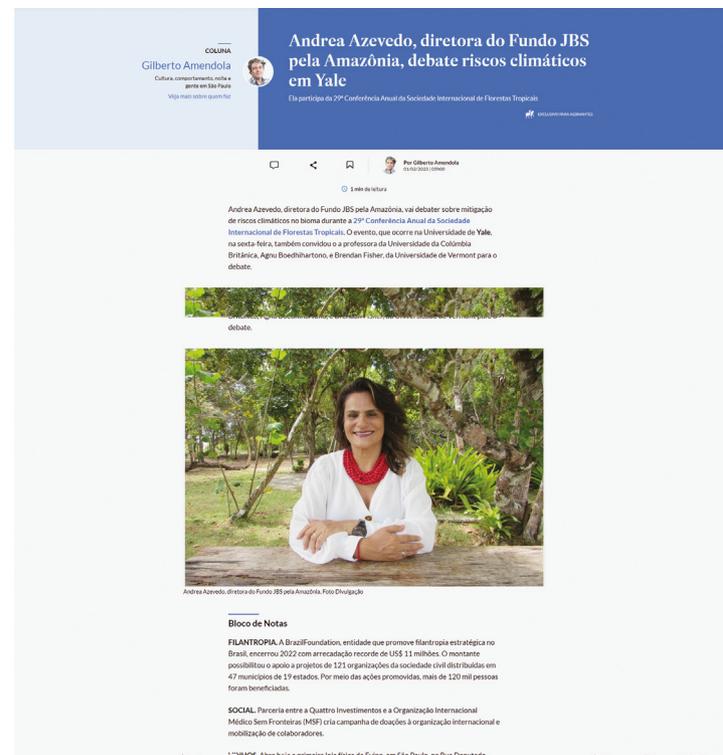
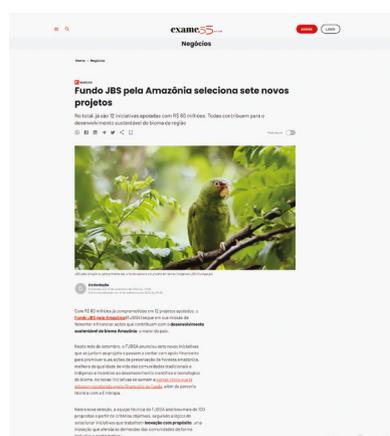
JULY 2022 • JULY 2023

YEARS 1 AND 2 HIGHLIGHTED NUMBERS

5,259
FOLLOWERS ON LINKEDIN, 2,888 IN
THE LAST 12 MONTH ALONE



862
MEDIA MENTIONS



EVENTS



IMPACTS



JBS FUND FOR THE AMAZON YEAR 2 ACTIVITY REPORT

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JBS FUND FOR THE AMAZON FUNDRAISING

The JBS group is the Fund's major investor, with US\$ 13,1 million* committed until 2022, of a total of US\$ 52,8 million* until 2025. The organization also counts on a network of partners that have invested a total of US\$ 1,5 million*.

In order to promote the leveraging of financial resources from other organizations and contribute to the Amazon preservation and sustainable development, we

adopted a co-financing of 1:1, we mean, of each US\$ 0,2* invested in the fund, or in the projects supported by our partners, JBS fund invests other US\$ 0,2* until the total amount reaches US\$ 105 million*.

The partner organizations seize the fund infrastructure to the resource management and the supervision of the execution using a focused strategy and a robust governance.

JBS FUND FOR THE AMAZON AND PARTNERS CAPTURED VALUE*



JBS Fund For the Amazon has in JBS a catalyst capable of attracting company private investment and partners to the project



* Converted from brazilian reais to the US dollar on July 31st



FINANCES





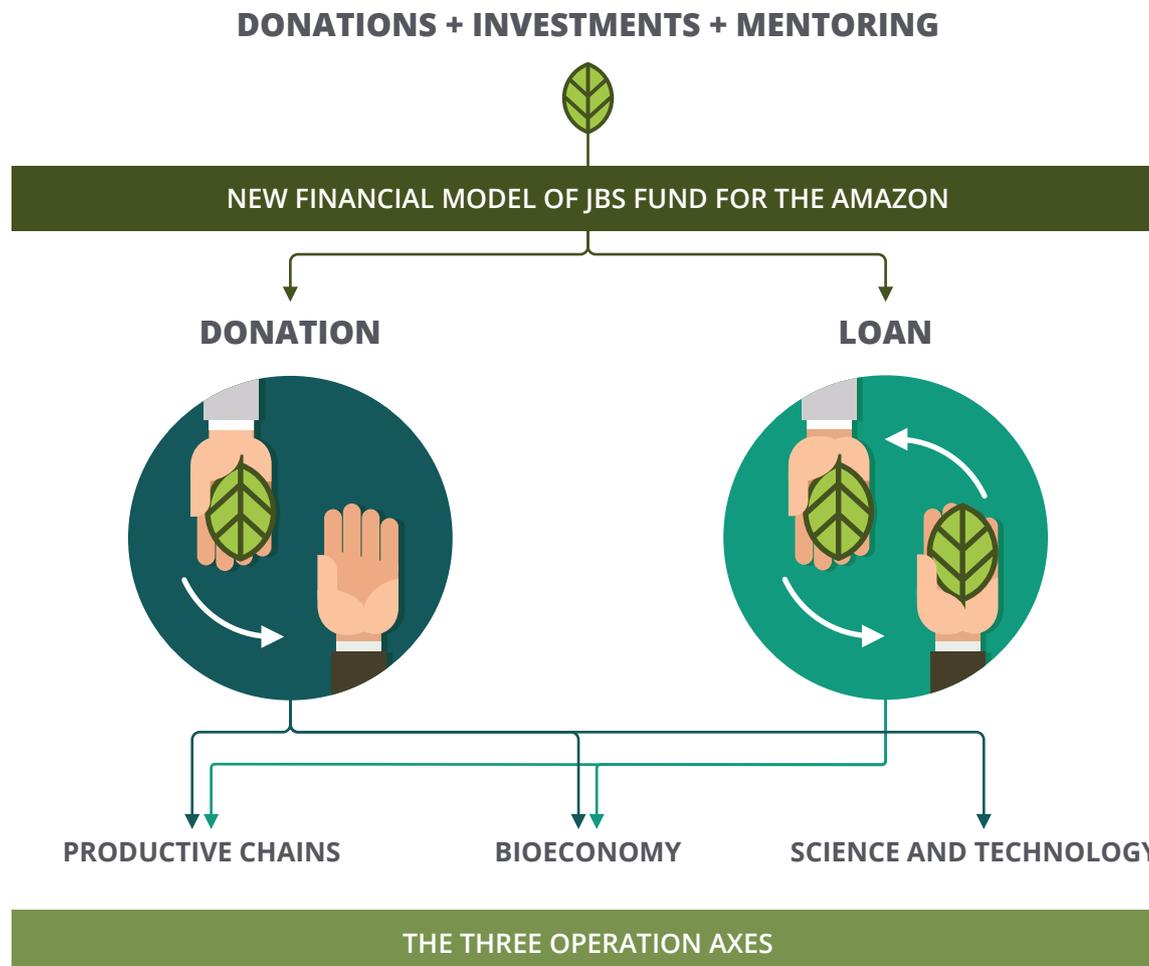
JBS FUND FOR THE AMAZON YEAR 2 ACTIVITY REPORT
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HYBRID MODEL

After paying close attention to the opinions of Partners and Advisors during the Strategic Planning stage, the fund assures the combination of donation and refundable Investments (through credit lines, guarantees and participations, for instance). Hybrid financing will allow, in the medium and long term, a bigger flow of investments to social impact businesses, balancing risks and maximizing the impact opportunities.

This model makes it possible to combine of philanthropic resources and patient capital (catalytic), with adequate taxes and schedules to the Amazonian context. The goal is developing innovative initiatives that have potential self-sustainable models. By removing the structural barriers and the enhancement of the productive chains, systemic changes will be possible in the format and usage of the soil in the Amazonian biome.

The combination of philanthropy and patient capital is intended to maximize the positive potential impact created by JBS Fund for the Amazon in the long term





FINANCIAL STATEMENTS

INDEPENDENT AUDITORS REPORT ABOUT THE ACCOUNTING STATEMENTS

**To the Conselours
and Administrators of JBS
Fund For The Amazon
São Paulo – SP**

OPINION

We've examined the financial demonstrations of JBS Fund for the Amazon ("Fund"), which constitute the patrimonial balance in December 31st, 2022, and the respective demonstrations of the results, the comprehensive result, the mutations of the liquid patrimony and the cash flows for the exercise finished on this date, as well the correspondent explicative notes, understanding the significant accounting policies and other elucidative information.

In our opinion, the financial demonstrations mentioned above offer adequately, in every relevant aspects, the patrimonial and financial position of JBS Fund for the Amazon in December 31st, 2022, the performance of its operations and its cash flows for the exercise finished on this date, according with the accounting practices adopted in Brazil applicable to small and medium companies.

BASE FOR OPINION

Our audit was done in accordance with the Brazilian and international rules of audit. Our responsibilities, accordingly with such rules, are described in the following section with the title "Responsibilities of the auditors for the audit of the financial demonstrations".

We're independent in relation to the Fund, according to the relevant ethical principles provided in the Accountant Professional Ethical Code and in the professional rules launched by the Accounting Federal Council, and we comply with the other ethical responsibilities accordingly to these rules.

We believe that the evidence audit obtained is enough and appropriate for substantiating our opinion.

**São Paulo, April 18, 2023,
KPMG Assurance Service Ltda.
CRC 2-SP 023228/O-4**



FINANCES



USE YOUR PHONE
CAMERA TO ACCESS
THE ACCOUNTING
STATEMENTS
followed by
the auditor's
independent report



A LOOK INTO THE FUTURE OF AMAZON

The next few years will be decisive for the Amazon, especially if we take into account the unique window of opportunity and the urgent need for structural change in the biome. Brazil will hold the presidency of G20 next year and, the UN's Climate Conference, COP 30, will be held in Belém for the first time.

Through these international fora, civil society, governments, private companies and the financial market have the chance to agree a cooperative international agenda for the preservation and recovery of forestry biodiversity and its crucial role in addressing climate change.

We have the chance to show the world a vigorous and coordinated plan, with structuring actions that guide us towards a robust and lasting science and technology agenda, towards improvement of the business environment and the creation of an entrepreneurial environment capable of dialoguing with, and generating value for, the native peoples, traditional communities, quilombolas and family agriculturists and all the Amazonians that form this regional multiculturalism.

Within this agenda, it is imperative to show the potential of the Amazon to become a low carbon economy reference, especially in livestock activities that occupy most of the biome's open area. The focus will remain at the beginning of this chain, working to surmount the obstacles that have led to these informal activities, including a lack of qualified technical assistance, a lack of rural credit access for restoration of pastures and poor diversity, associated with high levels of deforestation.

Over the coming years, the JBS Fund for the Amazon's ambition is to catalyze impact businesses and partnerships capable of fostering a strengthened family agriculture ecosystem in the Amazonian productive chain – a more integrated chain, with pasture recovery, increased productivity, production diversification with agroforestry systems and refor-



Andrea Azevedo,
*JBS Fund for the
Amazon Executive
Director*

estation. These models, which we hope to be economically viable with growth potential, should increase resilience and raise incomes for small farmers and, as a result, improve environmental compliance and reduce the green-house effect. It is extremely important that productivity improvement efforts are transparent from the start of the chain (traceability) and avoid any new deforestation.

The fund is also focused on creating a new economy based in the preservation and recovery of the Amazon that mitigates climate change and preserves hydrological wealth to preserve the Amazon and its biodiversity. This is all socially empty if we do not work as a country to reduce the current social inequalities gap and address Brazil and the world's vulnerability to climate impacts.

The moment is now. With the investments and necessary partnerships we can develop effective models more attractive than deforestation, to achieve food security, economy diversification and local wealth. It is clear, this is only viable through the inclusion of all sectors in this agenda and, of course, with the engagement and support of those who know and live in the Amazon. The JBS Fund for the Amazon is committed to this cause, supporting innovation, catalyzing new investments and strengthening partnerships.



CHAIRWOMAN
Joanita Karoleski

EXECUTIVE DIRECTOR
Andrea Azevedo

PROJECTS MONITORING AND OPERATIONS MANAGER
Lucas Scarascia

PROJECTS MONITORING SPECIALIST
Thais Megid

COMMUNICATION COORDINATOR
Marcela Haddad

NEW PROJECTS MANAGER
Conrado Mello

JUNIOR MONITORING ANALIST
Thayná Gonçalves

PROJECTS MONITORING SPECIALIST
Sâmera Adães*

OPERATION COORDINATOR
Caroline Muniz*

SENIOR ADMINISTRATIVE ANALIST
Arielly Barbieri



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EDITORIAL PROJECT

THE WORLD WE WANT

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*ACTIVITIES EXERCISED UNTIL JULY

