



**BUREAU
VERITAS**

Bureau Veritas Certification - Brazil

**“DECLARATION OF VERIFICATION”
POST-ISSUE**

TANAC S.A.

Version: 0

October/2022



SUMMARY

PART 1	3
1. INTRODUCTION	3
2. SCOPE	4
3. METHODOLOGY	5
3.1 PLANNING	5
4. CONCLUSION AND DECLARATION OF INDEPENDENCE AND IMPARTIALITY	5
PART 2	7
4.2 CHECK LIST INDICATOR VERIFICATION	7
PART 3	15
4.3 VERIFICATION OF RESOURCE USES	15

PART 1

1. INTRODUCTION

Bureau Veritas Certification Brazil (“Bureau Veritas”) was contracted by TANAC S.A to conduct a limited verification regardless of the use of resources, in the post-issue phase, of a Debt within the scope of the issuance of Agribusiness Receivables Certificates (CRA) of the 1st issuance of simple, non-convertible debentures, of the collateralised type, in a single series, for private placement, issued on 09/14/2021 as a Green Bond, in the total amount of R\$195,000,000.00 (one hundred and ninety-five million reais), supported by a pre -issue opinion and another post-issue retroactive opinion (hereinafter referred to as SPO pre -issue and post-issue).

It should be noted that, according to "Second Amendment to the Agribusiness Credit Rights Securitization Term", dated 10/25/2021, there were some changes, which follow:

[...] 2 (ii) the Issuer and the Debtor entered into, on the present date, the "Third Amendment to the Private Instrument of Indenture of the 1st (First) Issue of Simple Debentures, Non-Convertible into Shares, Unsecured, to be Converted in Kind with Real Guarantee, in a Single Series, for Private Placement, of Tanac S.A." ("3rd Amendment to the Indenture"), **through which certain characteristics of the Debentures were changed**, among them: (a) the total amount of the issuance of the Debentures was reduced, which went from R\$250,000,000.00 (two hundred and fifty million reais) **to R\$195,000,000.00** (one hundred and ninety-five million reais), through the issuance of 195,000 (one hundred and ninety-five thousand) Debentures; b) the grace period for payment of the first installment of the amortization of the Debentures was reduced, which became due on January 12, 2023; (c) the Guarantee Reason was changed, which now corresponds to 120% (one hundred and twenty percent) of the outstanding balance of the Guaranteed Obligations, calculated based on the market value of the Rural Properties contained in the appraisal reports to be presented by the Guarantor to the Securitization Company, under the terms of the Fiduciary Sale of Rural Properties Agreements; (d) the **date of issue of the Debentures was changed, which became September 15, 2021**; (e) **the maturity date of the Debentures was changed, which became October 13, 2027**; and (f) the term for the recording of the Fiduciary Sale Agreements was changed and for the protocol of the Fiduciary Assignment Agreement at the competent registry offices, which became ninety (90) days from the date of signature of the 3rd Amendment to the Indenture.

The funds obtained were and will be used until October 2027 used in Forest Development projects, through the acquisition of planted forests (wood and bark), whose revenues will be given by the instrument of the Agribusiness Receivables Certificate (CRA) in the amount of R\$195 million reais.

The extent of this project is limited to the increase of forest areas, specifically Acácia Negra, own farms and third parties of TANAC/TANAGRO and their respective social and environmental attributes,

which directly affect rural producers and, indirectly, their forest suppliers and the surrounding community.

This verification was conducted by a multidisciplinary team, including verifiers with knowledge of financial and non-financial data.

2. SCOPE

The scope of this verification covered the analysis of:

- Interviews with the personnel involved in the preparation, evaluation and monitoring, especially in the areas of treasury, environment and wood purchase;
- Collection of evidence on the allocation of resources and execution of activities associated with CRA Verde, from September 2021 to September 2022;
- Traceability of financial and non-financial data, including planning and monitoring of applied resources;
- Documentation related to the projects delivered by TANAC, prepared by TANAC and by consulting companies contracted by TANAC, from 10/28/2021 to 08/31/2022. Such evidence is mentioned in Part 2 of this Report, for the screening and reliability of this Verification;
- Verification regarding the use and management of resources, in accordance with the assumptions described in our post-issue opinion of August 2021;
- Evidence as to the correct presentation of information, in particular the monitoring data of the indicators, defined in the post-issue report of August 2021;

This verification occurred due to the term of one year from the issuance of Green Bonds, in the total amount of R\$195,000,000.00 (one hundred and ninety-five million reais) for TANAC S.A., aiming at financing Forest Promotion projects, through the acquisition of planted forests (wood and bark), as well as providing improvements in the rural properties of its wood and bark suppliers, in addition to contributing to the generation of direct and indirect jobs, whose scope also indirectly includes the surrounding community, with benefits of environmental preservation and job creation.

The scope of our work was limited to verifying the allocation of resources of the title issued in accordance with this Report and the correct presentation of information, in accordance with the *Green Bonds Principles* (GBP) of the *International Capital Market Association* (ICMA) and *Social Bonds Principles - SBP* (Jun, 2021)

The financial data were verified in national currency (Reais).

2.1 RESPONSIBILITIES OF TANAC AND BUREAU VERITAS

The presentation and calculations of the data are the sole responsibility of TANAC's management. Bureau Veritas is responsible for providing an independent opinion to TANAC in accordance with the scope of work defined in this statement. The verification level adopted was Limited, in accordance with the requirements of ISAE 3000 (*International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information*),

incorporated into Bureau Veritas internal verification protocols. Any evaluation of information related to activities outside the reported period was excluded from this verification

3. METHODOLOGY

The verification covered the following activities:

- Verification of the technical and financial requirements of the projects described in this Report - Parts 2 and 3, referring to the post-emission phase, with an analysis period from 10/28/2021 to 08/31/2022;
- Verification regarding the use and management of resources, in accordance with the assumptions described in this post-issue SPO;
- Evidence as to the correct presentation of information, as well as the monitoring data of the performance indicators defined in the post-issue SPO, covered by the Sustainable Forest Management and Community Development Program associated with the ODS's.

Any evaluation of information related to activities outside the reported period was excluded from this verification.

3.1 PLANNING

PLANNING	EXPERT AUDITOR	DATE
Scope and planning	Juliana Colpas	September 21, 2022
Financial traceability analysis of investments, referring to the post-issue phase, with analysis period from 10/28/21 to 08/31/22	Marlon Marabuto	Week of September 26 to 30
Documentary analysis of the progress of the elected projects: Documentary evidence of the evolution of the technical projects from October/2021 to August/2022.	Juliana Colpas and Tatiana Parizotto	Weeks from September 30 to October 7
Verification of corrective actions and evidence, if any.	Juliana Colpas and Tatiana Parizotto	Week of October 10 to 14
Preparation and consensus of the declaration of verification	Juliana Colpas and Tatiana Parizotto	Week of October 17

4. CONCLUSION AND DECLARATION OF INDEPENDENCE AND IMPARTIALITY

Based on the verification carried out by us and the evades obtained, we are of the opinion that the TANAC 2022 Monitoring Report, on the issuance of a Green CRA, issued in September 2021, provides an adequate account in all its aspects, in accordance with the applicable requirements. The resources used in the analyzed period, presented in the Monitoring Report, were applied according to the premises defined in 2021.

Bureau Veritas is an independent professional services company specialized in Quality, Environment and Sustainability Management Systems, among others, with more than 185 years of experience in independent verification services. Bureau Veritas has a quality management system, certified by a third party, according to which it maintains documented policies and procedures for compliance with ethical, professional and legal requirements. The verification team has no relationship with TANAC, conducting this verification independently. Bureau Veritas has a Code of Ethics throughout its business to ensure that its employees maintain the highest standards of ethics, integrity, objectivity, confidentiality, and professional competence/behavior in their daily activities.

São Paulo, October 20, 2022.

Juliana Colpas

Lead auditor

Bureau Veritas Certification – Brazil

PART 2

4.2 CHECK LIST INDICATOR VERIFICATION

Material Themes	2021 Indicator	KPI	Result 3 periods SPO	Result 2022	Evidência	OD G	Verification Status
Sustainable Forest Management Negative Carbon Agenda	Annual Sustainability Convention	40 people/year	Period 1: 90 technical hours Period 2: 162 technical hours Period 3: 244 technical hours	108 people 358.5 hours	System control spreadsheet + 3 attendance lists Evidence: - "CRA V2.xls Trained Hours Survey". Training in FSC, ISO 14.001 and Environment Week were considered. - Attendance Sheet/ course 15575; Class 2100265 Environmental Awareness, ISO 9001 and FSC; 10/05/2021 – duration 1h - Attendance Sheet/ Course 20091; Class 2100221 FSC Training, 09/28/2021, workload: 8 hrs. Verified 2 Certificates issued by the conclusion of 8 hrs of training on FSC Governance – Structure, Policy and Standards 09/28/2021 (Danrlei Koch Jeske and Odair de Souza). - Attendance Sheet/ Course 15325; Class 2100390 SIPAT – Work Accident Prevention Week; 11/26/2021. Credit Hours: 1h	12	OK
		1/year	Period 1: 2103 kg of seeds Period 2: 1722 kg of seeds Period 3: 1221 kg of seeds	1/year 866.2 kg of seeds	Report event Qualify + attendance list Evidence: - "Training Plan" – 17th Meeting of Nurserymen. Content: Institutional presentation TANAC and TANAGRO; Lecture Pests and Diseases in Forest	12	OK

Material Themes	2021 Indicator	KPI	Result 3 periods SPO	Result 2022	Evidência	OD G	Verification Status
					Seedlings; Presentation Qualify Program. Required hours: 4h. 05/10/2022. Location of training: Montenegro Auditorium. Signed attendance list. - "Qualify Program" – explanation of how the program works, updated in April/2022. - "Donação sementes viveiro.pdf" - VDP5246 - INVOICES BY NATURE OF OPERATION from 09/01/21 TO 09/30/22" – seeds in natura and Acacia seedlings = 825.2 Kg + "Donação Sementes Tanagro.pdf" - VDP5246 INVOICES BY NATURE OF OPERATION from 09/01/21 TO 09/30/22 = 41 Kg.		
	Increase Tanagro Partnerships (total area)	6,260 ha/year	Period 1: 2,269 ha Period 2: 5,515 ha Period 3: 4,126 ha	7,843.08 ha/year	Tanagro planted area spreadsheet +promotion Evidence: - "Planting Area 09.01.21 – 08.31.22 – CRA.xls". 7,843.08 ha - Forest management plan – year 2022 – Rev. 24 09/06/2022 Tanagro.	12	OK
	Increase PROMOTION (Raw Material)	5,165 ha/year	Period 3: 305 producers Period 2: 293 producers Period 1: 343 producers	789 tonnes fertilizer 120 producers	NF fertilizers Spreadsheet Forestry Promotion Program Evidence: - "Programa_Fomento_Florestal.xls" – fertilizer list, containing the information of the NF, name of the client, date of issue, item, description, unit, quantity and value. Total 789 t fertilizer	15	OK

Material Themes	2021 Indicator	KPI	Result 3 periods SPO	Result 2022	Evidência	OD G	Verification Status
					- NF No. 168488, of 07/27/2022 – 40 t of fertilizer – destination: DIEGO DE OLIVEIRA ESSVEIN (donation NF, on behalf of Tanagro) - NF No. 168480, of 07/27/2022 – 48 r of fertilizer – destination: RAFAEL KOPPER RIFFEL (donation NF, on behalf of Tanagro).		
	Donation of seedlings for Development	11,943,000 Seedlings	Period 3: 5,687,650 Seedlings Period 2: 9,987,250 Seedlings Period 1: 20,937,650 Seedlings	7,977.80 Seedlings	Donation NF seedlings Spreadsheet Forestry Development Program Evidence: - "Programa_Fomento_Florestal.xls" – list of Acacia seedlings planted, containing the information of the NF, name of the client, date of issue, item, description, unit, quantity and value. 7,977.800 - List of NFs TANAGRO S.A. Viveiro - "INVOICES BY NATURE OF OPERATION from 09/01/21 TO 09/30/22" - TANAGRO S.A. – VIVEIRO /VDP5246/ seeds IN natura and acacia negra / type 9100 - REMITTANCE BONIF/donation/GIFT = 825.200 kg - List of NFs TANAGRO S.A. - "INVOICES BY NATURE OF OPERATION from 09/01/21 TO 09/30/22" - TANAGRO S.A. – VIVEIRO / VDP5246 / BLACK ACÁCIA SEED / tipo 9100 - REMITTANCE BONIF/DONATION/GIFT = 41.00 kg	12	OK



Material Themes	2021 Indicator	KPI	Result 3 periods SPO	Result 2022	Evidência	OD G	Verification Status
	Disclose development and lease programs.	R\$20,000/year	Period 3: 4000 manual book lets Period 2: 2000 manual book lets Period1: 10 posts	Posts: 31 Audios: 7 Events: 2	<p>Digital and offline marketing report Evidence of prints and audios fostering+events.</p> <p>Evidence:</p> <ul style="list-style-type: none"> - NF No. 202200000002047, issued on 09/13/2022 Eduardo Lemos Costa. Service: Provision, without definitive assignment, of audio, video, image and text content through the internet, respecting the immunity of books, newspapers and periodicals (Radio Click). - NF No. 202200000000013, issued on 09/12/2022 Rádio Difusora Fronteira Ltda. Advertising Services. - NF No. 202200000002415, issued on 09/14/2022 Gráfica e Editora Gaúcha Ltda. Flyers – 1,000 print. - NF No. 9750 Nativa 94.1Fm, issued on 09/30/2022. Dissemination services of spots during the month of September. - “CRA 2021 – 2022.pdf” - Presentation containing the disclosures made on social networks, radio media, printed media, events and gifts. Events: Expoiner and promotion dissemination at the fair. 	15	OK



Material Themes	2021 Indicator	KPI	Result 3 periods SPO	Result 2022	Evidência	OD G	Verification Status
Community development	Promote socio-environmental education	2 actions Schools/year	Period 3: 08 visits 218 people Period 2: Pandemic Period 1: Pandemic	7 Initiatives 1,342 people	<p>Qualify Program - Viveiritas Meeting: 53 people (attendance list) 74 years old_APAE Piratini: 20 people (term of use of image) APAE Montenegro: 17 people (Social Report) Donation TANAC School: 19 people (NF and Social Report) Environment Week: 1200+ people (Video, material of the week and social report) Recycle Project: 33+ people (Social Report) <i>Eco Pila Project (public: population of Montenegro and Apeci Novo)</i></p> <p>Evidence:</p> <ul style="list-style-type: none"> - Environment week: explanatory folder and video, social report "Relatório Social_CRA.pptx" – held between 05/30 and 06/03/22, subjects: waste separation, Embrace nature project, Environmental Aspects and Impacts, Forest and soil. - Qualify Program: "Descrição Programa Qualificar.pdf". 	13 & 15	OK
		200 people/YEAR	Period 1: 122 people Period 2: pandemic Period 3: pandemic	254 people	<ul style="list-style-type: none"> - "Training Plan" 17th Meeting of Nurseries – workload: 4hrs – attendance list with signatures – 53 participants. - Ecological Trail: Passenger Lists – Caminho das Figueiras Ecological Trail, on 08/23/2022 - signed by the students. Verified some drawings. – 46 participants (Darcy Peixoto da Silveira State School of Elementary School) – Class 1 and Class 2 	13 & 15	OK



Material Themes	2021 Indicator	KPI	Result 3 periods SPO	Result 2022	Evidência	OD G	Verification Status
					<p>- Computer Donation TANAC School: NF No. 000.165.167 issued on 03/31/2022, description: 19 MICROCOMPUTER MCA IBM MOD THINK CENTER W/MONITOR LDC17 – R\$1,900.00.</p> <p>- Consent Form for the Processing of personal data in accordance with the General Data Protection Law and authorization of image use. For institutional video of tree planting. 05/19/2022 and 05/17/2022.</p> <p>- “Relatório Social_CRA.pptx” – visitation to the nursery, in Triunfo, of the Federal University of RS.</p> <p>- Notice ACI Montenegro Pareci Novo, informing about the lecture “Renewal and Responsibility – TANAC”, participating in the 27th Forum of Quality and Personnel Management of the Commercial, Industrial and Services Association of Montenegro and Pareci Novo, on 08/10/22 – totaling 218 people. Signed by President ACI Montenegro.</p> <p>Lecture Renewal and Responsibility: 195 people (Social Report and document organizers) Visit to the Nursery: 13 people (Social Report); Ecological Trail: 46 people (sample of attendance and activity list and Social Report).</p> <p>Evidence:</p> <p>- Checked the Ecological Trail attendance list.</p>		



Material Themes	2021 Indicator	KPI	Result 3 periods SPO	Result 2022	Evidência	OD G	Verification Status
	Increase areas in the scope of the group certification	200 ha/year	464 Ha/year	772.3 Ha/year	<p>Slimf Print Area Control Spreadsheet page FSC® Service Agreement RDK logs LTDA</p> <p>Evidence: - “Area and Uses of the Earth within the Group (Rev.02).xls”. - “Microsoft Power BI.pdf”. - Ruter Disarz EPP on behalf of the RDK/TANAC Producer Group. Group Certification of Well-Managed Plantations. Certification Code: SCS-FM/COC-006890 License Code Trademark Registered: FSC-C150331. Issued on 12/05/2019, valid until 12/04/2024 - Supervisory Evaluation Report of Floreatl Management and Chain of Custody from Forest to Product exit - Ruter Disarz EPP on behalf of the RDK/TANAC Producer Group. DATE OF THE REMOTE AUDIT 14 to 16/Oct./2020 /REPORT FINALIZATION DATE 26/Feb./2021 (Global SCS) Date of audit: 08 to 10/Sep/2021 / Date of completion of the report: 09/Dec/2021 -- Contract for the Provision of Services for the administration of a Producer Group/Group Certification (SLIMF), between TANAC and Ruter Disarz EPP, 09/14/2018. Duration: 5 years.</p>	15	OK

Source: TANAC/TANAGRO, 2022.



CAPTION: Period 3: 08/01/2018 and 07/31/2019

Period 2: 08/01/2019 and 07/31/2020

Period 1: 08/01/2020 and 07/31/2021

PART 3

4.3 VERIFICATION OF RESOURCE USES

Regarding revenue management, TANAC demonstrated that "it maintained and maintains overwhelming net resources in cash, cash equivalents or other low-risk investments, following TANAC's existing investment policy" and that "it did not use and will not use the ballast used in Green Bonds for other funding, avoiding double counting, as well as, it did not allocate and will not allocate the resources in activities that generate a negative socio-environmental impact"

The financial sampling was 26 payment documents in the period from October 2021 to August 2022. This sample covered 47.3% of the total collected by TANAC, which was R\$195 million, that is, the verified amount of payments for the purchase of wood in the period was R\$92.4 million.