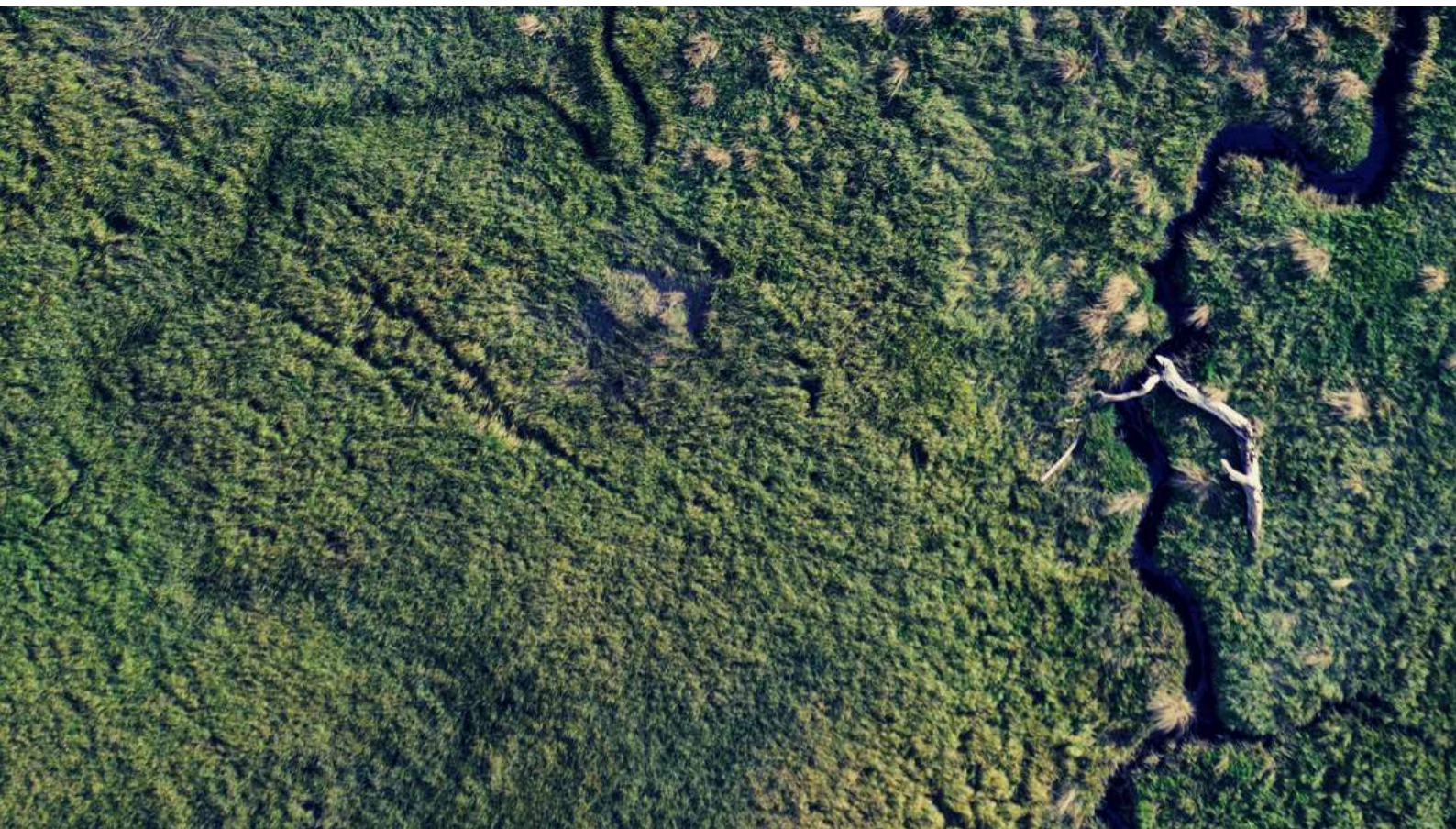




IMPACT REPORT

AREIA GROUP



Message from Reflora

This report is an affirmation of the new age in which we are living. Sustainability remains a challenge, but one that we choose to address collectively.

Recognizing the need for impact assessment is the first step towards sustainable practices. Areia has adopted sustainable practices related to measuring its Carbon Footprint.

Going a step further, Areia has chosen to offset these emissions using the instrument of carbon credits. These credits, however, represent more than just carbon offsets. By investing in Agro cortex, the company ensures its commitment to the preservation of nature, biodiversity, and opportunities for local communities in the motherland: Brazil.

Behind every credit there is a story, and we are proud to share this vision with Areia.

Nicholas H. Phillips, CEO Reflora..



AREIA

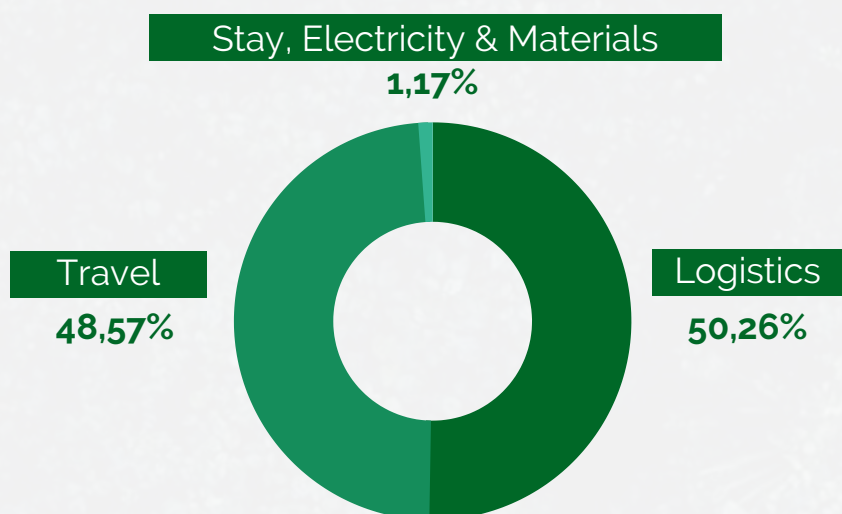


Calculation of Emissions

Areia's emissions calculation for the year 2021 resulted in **68 tons of CO₂e**.

A brief summary of Areia's carbon calculation can be found below:

Source	Emissions (tCO ₂ e)
Logistics	17,24
Travel	16,66
Stay	0,39
Materials	0,01
Electricity	0,01



The Story of Agro cortex

The birth of an alternative land to uplift the Amazon rainforest thanks to the carbon credits.

The Acre region has been historically pressured by deforestation. This is due to both legal and illegal timber harvesting , cattle ranching and slash and burn practices. The lack of an economical viable solution for land use in the region has been impacting the local community and environment for years.

In the effort to become a barrier against the advancement of deforestation in the Amazon, VCUs generated by the project are essential to create a profitable alternative land-use scenarios. In addition, value from sales are dedicated to improving the social and environmental conditions in the project region.



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General Description

This project is the largest employer in the Acre region; promoting new jobs, income and taxes for the region and its diverse local communities, thus contributing to the sustainable development of the region. In addition, it promotes education and training in forest management, disseminating knowledge in the local community.

This region protects 21% of the total number of birds in Brazil, along with 24 threatened/vulnerable species and 20 rare species.

Furthermore, the Brazilian Ministry of Environment has classified the area of the Agrocorrex REDD Project as a “very high” conservation priority.



Country: Brazil

Region: Acre

Proponent: Agrocorrex

Area: 186,219 Hectares

Project Type: REDD

Certification: VCS

Beginning of Project:
2014

Duration: 30 years



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Project Location

The project is located in the Acre region, known to be home to the Amazon rainforest. It consists of one of the most dense population of rubber and Brazil nut trees in the world and it has been suffering through a rapid rate of deforestation due to the increased business of cattle farming that has remained prevalent in the region.

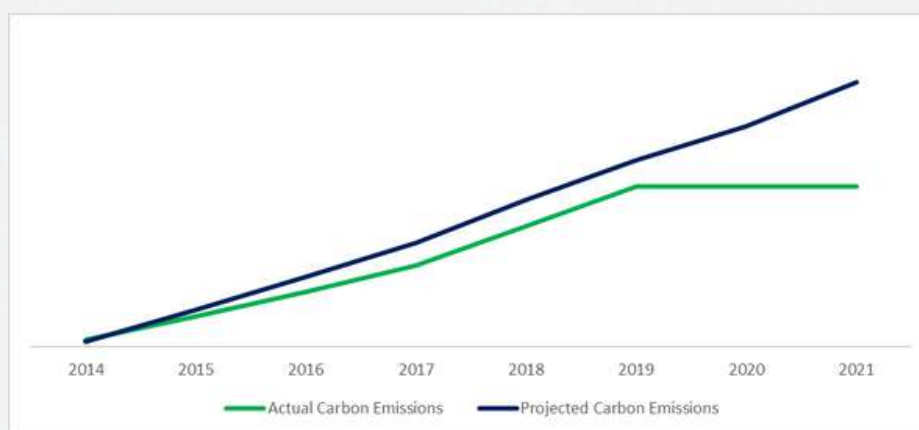
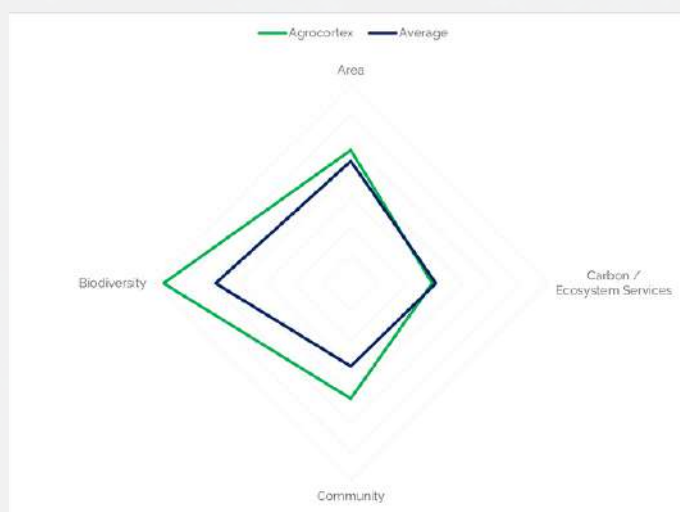


Reflora Impact Quality Analysis

Reflora's analysis takes into consideration aspects related to the validity of the credits and the calculation methodology, as well as the impact proposed by the project.

In this analysis, Agrocorrex performed above average, highlighting the work developed around biodiversity and community.

The project has been considered the best Voluntary Carbon Project of 2020. By fighting illegal logging and positioning itself as a major player in sustainable forest management, the project demonstrates that progress and sustainability are possible.



The project performance has been very close to the projection designed in the project conception. In the year of 2022 the project will proceed with a new verification and issuance of credits that should make the actual and projected balance.

Reflora Impact Quality Analysis

ESG

E | Environmental

186.219 hectares of protected forests.

+2.9million tCO₂e sequestered so far.

+11 million tCO₂e sequestered by the end of the project.

30,006 hectares of deforestation avoided.

+ 11 M

tCO₂ absorbed at the
end of the project

S | Social

300

direct and indirect jobs
generated

Building better opportunities for 8% of Manoel Urbano residents.

Thanks to the donation of wood waste to the artisans' association, the project is helping 40 artisans, and indirectly benefiting 250 families.

The local workforce is empowered with environmental education promoting long term conservation employment opportunities.

G | Governance

The project is extremely economically viable through logging, NTFP and carbon credits.

The carbon credits facilitate promotion of jobs, qualification of local workforce.

The co-benefits of the project provide incredible economic stimulation in the region.

40%

reduction of price
disparity in the income of
the residents



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The Forest

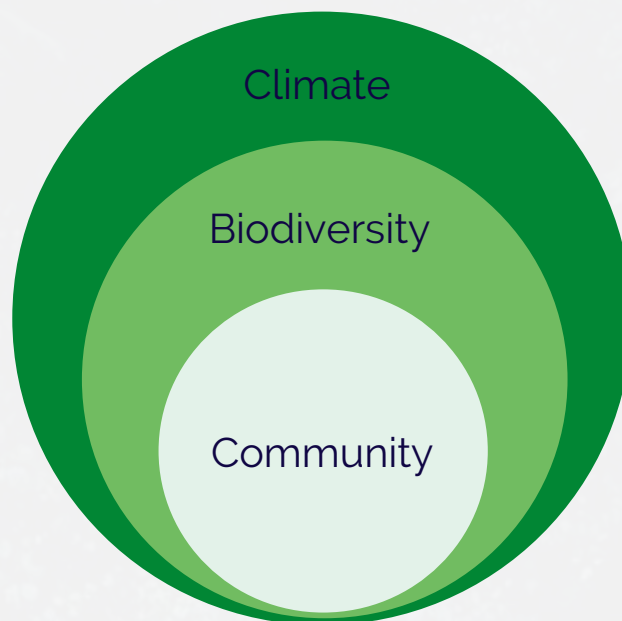
Forests have incredibly powerful stories!

Trees, through their roots, trunks, branches and leaves, have the ability to communicate and connect with the ecosystem.

A single forest supports millions of species of flora and fauna, known and unknown to mankind.

The nature of forestry projects is strongly rooted in their ability to directly benefit climate, biodiversity and indigenous communities.

Every square meter of forest supports complex ecosystems.



Through its offsetting activities, Areia has had a significant impact on the climate, biodiversity and the community by **avoided deforestation of 8.704 m2 and avoided emission of 68 tons of CO₂e.**

Biodiversity

The Brazil's Ministry of Environment included Agro cortex in very high conservation priority list.

The combination of extremely biodiverse flora and fauna makes the Agro cortex region one of the most unique in the Amazon biome.

The region stands out particularly due to its promised protection of up to 467 bird species, 24 vulnerable species and 20 species considered rare.

In fact, 21% of the total birds in Brazil are said to inhabit the area.

Among the many kinds of species are the peccaries (piglike animals), capybaras (rodents with no tail and partly webbed feet), agoutis (short-haired, short-eared rodents), and tapirs (large, hoofed quadrupeds).



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The Community

The Agro cortex project is positively impacting 95 families in 9 locations.

The project donates wood waste to the artisans' association, stimulating the production of handicrafts, it helps 40 craftsmen and indirectly benefits 250 families. This activity represents the main source of income for more than 50% of the artisans' families in the state.

In addition, land has been donated to the families, including 80% more wooded areas. Currently, 25 landowners are in the process of legalising their land.

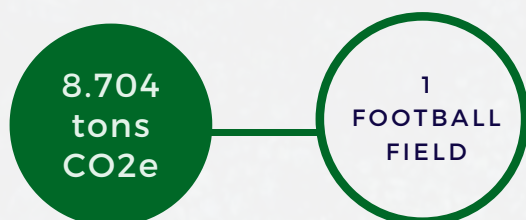
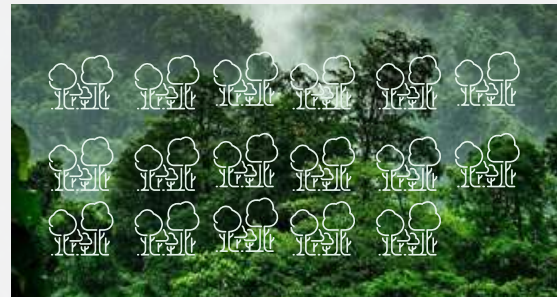
The project also has the "young apprentice" initiative, creating work opportunities for young people in situations of risk and vulnerability. The project is an alternative source of income for young people in the region.

There is also the creation of 300 direct and indirect jobs, creating a very positive impact on the local economy.



Areia: Creating a Cascading change

Areia's purchase of 68 credits has directly impacted a huge area of the amazon rainforest through Agro cortex. The company's compensation is equivalent to a total of 8704 m² of forest land, or 1 football field.



This contribution is important for the protection of the Amazon rainforest.



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The SDG defined by the UN



To end extreme poverty worldwide in 20 years, economist Jeffrey Sachs estimated that the total cost per year would be around \$175 billion. This represents less than 1% of the combined income of the world's richest countries.

In addition to economic development, the Agro cortex project also generates several jobs and sustainable sources of income for the community.



The goal of this SDG is to ensure that, by 2030, all learners acquire the knowledge and skills needed to promote sustainable development, including through education for sustainable development and sustainable lifestyles, human rights and gender equality.

One of the main objectives of the project is education. This is evident in the growth of sustainability education in the region.



Agro cortex credits, among other NTFPs, helps in the economic stimulation of the Acre region. The goal is to expand this sustainable business model to all areas of the REDD project in the coming years.



AREIA



The SDG defined by the UN



In order to invest in the organic production and certification of Açaí, the project offered courses to the local community on organic production procedures and certification of Açaí.

Açaí certification: lectures on organic practices, sustainability, health and safety in the process.



The protection of this endangered area through the generation of carbon credits in this little known region of great scientific relevance is protecting 186.219 hectares of forest, and avoiding 30,006 ha of deforestation.



186,219 hectares of the Amazon are being conserved, protecting close to 44 species of fauna considered threatened/vulnerable/rare, and 21% of Brazil's native bird species. .



AREIA



Purchase of carbon credits (VCS)



Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 15 Feb 2022, 68 Verified Carbon Units (VCUs) were retired on behalf of:

Areia Group

Project Name
Agrocortex REDD Project

VCU Serial Number
9343-82283044-82283111-VCS-VCU-262-VER-BR-14-1686-01012019-31122019-1

Additional Certifications
Social Carbon

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 Reflora Initiative

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