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(A free translation of the original in Portuguese)

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***WRI Brasil***  
***Financial statements at***  
***December 31, 2021***  
***and independent auditor's report***





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## ***Independent auditor's report***

To the Management and Members  
WRI Brasil

### **Opinion**

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We have audited the accompanying financial statements of WRI Brasil ("Entity"), which comprise the balance sheet as at December 31, 2021 and the statements of surplus, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WRI Brasil as at December 31, 2021, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil for small and medium-sized entities - CPC Technical Pronouncement PME - Accounting for Small and Medium-sized Entities, including the provisions in Technical Interpretation ITG 2002 - "Non-profit Entities".

### **Basis for opinion**

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We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of management and those charged with governance for the financial statements**

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Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil for small and medium-sized entities (CPC - Technical Pronouncement PME - Accounting for Small and Medium-sized Entities), including the provisions in Technical Interpretation ITG 2002 - "Non-profit Entities", and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



WRI Brasil

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

São Paulo, May 6<sup>th</sup>, 2022

*PricewaterhouseCoopers*  
**PricewaterhouseCoopers**  
**Auditores Independentes Ltda.**  
**CRC 2SP000160/O-5**

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 Lia Marcela Rusinque Fonseca  
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**Lia Marcela Rusinque Fonseca**  
**Contadora CRC 1SP291166/O-4**



**WRI Brasil**  
**Statement of financial position**  
**at December 31**

All amounts in Brazilian reais

(A free translation of the original in Portuguese)

<b>Assets</b>	<b>2021</b>	<b>2020</b>	<b>Liabilities and net assets</b>	<b>2021</b>	<b>2020</b>
Current assets			Current liabilities		
Cash and cash equivalents (Note 3)	6,758,208	10,600,767	Accounts payable	146,705	44,753
Accounts receivable (Note 4)	2,246,767	442,145	Tax liabilities (Note 6)	5,920	13,855
Other receivables	110,123	270,639	Social charges (Note 7)	1,932,742	1,376,992
	<u>9,115,098</u>	<u>11,313,551</u>	Donations received in advance	3,783,858	6,960,934
				<u>5,869,225</u>	<u>8,396,534</u>
Non-current assets			Non-current liabilities		
Escrow deposits	87,634	66,724	Tax liabilities (Note 6)		109,159
Fixed assets (Note 5)	467,324	440,253			<u>109,159</u>
Intangible assets	20,270	23,610			
	<u>575,228</u>	<u>530,587</u>	Net assets		
			Assets (Note 9)	3,821,102	3,338,445
				<u>3,821,102</u>	<u>3,338,445</u>
<b>Total assets</b>	<u><b>9,690,327</b></u>	<u><b>11,844,138</b></u>	<b>Total liabilities and net assets</b>	<u><b>9,690,327</b></u>	<u><b>11,844,138</b></u>

The accompanying notes are an integral part of these financial statements.



**WRI Brasil**  
**Statement of surplus**  
**Years ended December 31**  
**All amounts in Brazilian reais**

(A free translation of the original in Portuguese)

	<u>2021</u>	<u>2020</u>
<b>Operating income</b>		
<b>Restricted funds</b>		
Donations (Note 8)	20,601,487	17,534,695
Fixed assets (Note 11)	400,000	200,000
Voluntary work (Note 13)	19,975	23,120
	<u>21,021,462</u>	<u>17,757,815</u>
<b>Unrestricted funds</b>		
Donations (Note 8)		25,000
Rendering of services (Note 10)	1,025,289	2,276,463
	<u>1,025,289</u>	<u>2,301,463</u>
	<u>22,046,751</u>	<u>20,059,278</u>
<b>Operating costs and expenses</b>		
General and administrative expenses (Note 12)	(21,872,167)	(19,712,166)
Tax expenses	(150,523)	(137,362)
Finance result (Note 15)	478,571	231,204
Voluntary work (Note 13)	(19,975)	(23,120)
	<u>(21,564,095)</u>	<u>(19,641,444)</u>
<b>Surplus for the year</b>	<u><u>482,656</u></u>	<u><u>417,834</u></u>

The accompanying notes are an integral part of these financial statements.



**WRI Brasil**  
**Statement of changes in equity**  
 All amounts in Brazilian reais

(A free translation of the original in Portuguese)

	<u>Net assets</u>	<u>Accumulated surplus</u>	<u>Total</u>
<b>At January 1, 2020</b>	<u>2,920,611</u>		<u>2,920,611</u>
Surplus for the year		417,834	417,834
Transfer to net assets	<u>417,834</u>	<u>(417,834)</u>	
<b>At December 31, 2020</b>	<u>3,338,445</u>		<u>3,338,445</u>
Surplus for the year		482,656	482,656
Transfer to net assets	<u>482,656</u>	<u>(482,656)</u>	
<b>At December 31, 2021</b>	<u>3,821,102</u>		<u>3,821,102</u>

The accompanying notes are an integral part of these financial statements.



## WRI Brasil

### Statement of cash flows Years ended December 31 All amounts in Brazilian reais

(A free translation of the original in Portuguese)

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
<b>Surplus for the year</b>	482,656	417,834
<b>Adjustments for non-cash expenses</b>		
Depreciation and amortization	146,396	163,455
Write-off of fixed assets and intangible assets	7,901	1,156
<b>Surplus for the year - restated</b>	<b>636,953</b>	<b>582,445</b>
Increase (decrease) in accounts receivable	(1,804,622)	21,314
Decrease (increase) in other receivables	139,605	(208,206)
Increase in accounts payable	101,951	29,299
Increase (decrease) in social charges	555,750	(7,027)
Increase in tax obligations	(117,093)	(22,496)
Decrease in donations received in advance	(3,177,075)	(830,324)
<b>Net cash used in operating activities</b>	<u>(3,664,531)</u>	<u>(434,995)</u>
<b>Cash flows from investing activities</b>		
Purchases of fixed assets and intangible assets	(178,028)	(123,909)
<b>Net cash used in investing activities</b>	<u>(178,028)</u>	<u>(123,909)</u>
<b>Decrease in cash and cash equivalents</b>	<u>(3,842,559)</u>	<u>(558,904)</u>
<b>Cash and cash equivalents at the end of the year (Note 3)</b>	6,758,208	10,600,767
<b>Cash and cash equivalents at the beginning of the year (Note 3)</b>	<u>10,600,767</u>	<u>11,159,671</u>
<b>Decrease in cash and cash equivalents</b>	<u>(3,842,559)</u>	<u>(558,904)</u>

The accompanying notes are an integral part of these financial statements.

(A free translation of the original in Portuguese)



## **WRI Brasil**

### **Notes to the financial statements at December 31, 2021**

**All amounts in Brazilian reais unless otherwise stated**

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#### **1 General information**

WRI Brasil ("Entity") is a private, non-profit organization founded in February 2014, in São Paulo, Brazil, which started operations in June 2014, with the purpose of inspiring society to develop a protective approach to the Earth's environment by identifying and promoting the needs and aspirations of current and future generations. In order to achieve this goal, WRI Brasil develops research-based solutions with other member organizations of the World Resources Institute, its partners in Brazil and abroad.

WRI Brasil was granted the status of a Civil Society Organization of Public Interest (OSCIP), as published in the Federal Official Gazette on September 19, 2014. It has been certified as an Environmental Organization by the Ministry of the Environment, and holds a Statement of Exemption from Inheritance and Donation Tax (ITCMD). The Treasury Department of the State of São Paulo, together with the Secretary of the Environment, issued Resolution SFP/SIMA 02/2019 on December 13, 2019, with a Certificate of Environmental Organization and the Statement of Exemption from Inheritance and Donation Tax effective for three years. Accordingly, WRI Brasil must renew its Certificate by March 31, 2023.

WRI Brasil and the World Resources Institute ("WRI Washington DC") are organizations legally bound by a Cooperation Agreement and a trademark license, aligning the organizations' mission, values and approach.

These organizations are committed to working together to achieve their common goal of inspiring society to develop a protective approach to the environment, so that the needs and expectations of present and future generations can be fulfilled.

To that end, the organizations share strategic work plans, financial management, and control systems under a common governance system for collaborative and strategic decision making. Through mutual corroboration they raise funds from local and foreign donors, among other actions and activities relevant to their common mission.

In 2015, WRI Brasil opened WRI Brasil Cidades Sustentáveis (WRI Brasil Sustainable Cities) offices in the city of Porto Alegre, State of Rio Grande do Sul.

#### **a) COVID-19 effects**

In line with WRI's global guidelines and the organization's values, which include respect and diversity of its people, WRI Brasil has endeavored to take all measures to protect the wellbeing of its staff during the pandemic. Besides adopting a work from home model on March 16, 2020 for all employees, domestic and international trips were suspended, as well as all external in-person activities such as seminars, meetings, events, etc.

In parallel with the work from home model, the São Paulo and Porto Alegre offices were adapted to comply with the health security standards.

From a financial perspective revenue was as expected for the year; some on-site activities and travel expenses were either postponed or reduced.





## **WRI Brasil**

### **Notes to the financial statements at December 31, 2021**

**All amounts in Brazilian reais unless otherwise stated**

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Although some seminars, meetings and events had to be postponed or canceled, most activities were conducted virtually without significantly affecting project delivery.

Expenses for these events were either reduced or postponed, and although some activities were affected, no projects were cancelled.

## **2 Financial statement presentation and significant accounting practices**

The issue of these financial statements was authorized by the Entity's Executive Board on May 6, 2022.

The financial statements were prepared in accordance with accounting practices adopted in Brazil for small and medium-sized entities - CPC PME Technical Pronouncement - "Accounting for Small and Medium Entities" and Technical Interpretation ITG 2002 (R1) - "Non-profit Entities", and disclose all information of significance to the financial statements, which is consistent with the information utilized by management in the performance of its duties. The financial statements were prepared under the historical cost convention, except for voluntary work and donations, which are measured at fair value, in accordance with ITG 2002 (Note 13).

The preparation of these financial statements required the use of estimates to account for certain assets, liabilities, and other transactions, including estimates related to the selection of the useful lives of fixed assets, the determination of the useful lives of financial assets and the provisions for liabilities, among others. The actual results may differ from the estimates.

### **2.1 Functional and presentation currency and transactions and balances**

The financial statements are presented in Brazilian Real/ Reais (R\$), which is the functional and presentation currency of WRI Brasil.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognized in the statement of surplus.



## **WRI Brasil**

### **Notes to the financial statements at December 31, 2021**

**All amounts in Brazilian reais unless otherwise stated**

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#### **2.2 Cash and cash equivalents**

Cash and cash equivalents include funds available in local currency and other short-term highly liquid investments with original maturities of three months or less, with immaterial risk of change in value, which are held to meet short- and long-term term commitments.

#### **2.3 Accounts receivable**

Accounts receivable are recognized initially at the transaction cost and are subsequently measured at amortized cost using the effective interest rate method.

#### **2.4 Financial assets**

The Entity classifies its financial assets in the following categories:

- . measured at amortized cost; and
- . measured at fair value (through profit or loss, or other comprehensive income).

This classification depends on the entity's business model for managing financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets upon initial recognition. Currently, financial assets are classified at amortized cost.

##### **(a) Assets carried at amortized cost**

These are included in current assets, except for maturities longer than 12 months after the reporting period, which are classified as non-current assets. The assets carried at amortized cost comprise Cash and cash equivalents (Note 3), Accounts receivable and Escrow deposits.

#### **2.5 Fixed assets**

Fixed assets are stated at historical cost of acquisition; depreciation is calculated on the straight-line method, using rates that take into consideration the useful lives of the assets (Note 5).

#### **2.6 Intangible assets**

Acquired software licenses are capitalized on the basis of the costs incurred to purchase the specific software and bring it to use. These costs are amortized over the software's estimated useful life of five years.



## **WRI Brasil**

### **Notes to the financial statements at December 31, 2021**

**All amounts in Brazilian reais unless otherwise stated**

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#### **2.7 Accounts payable**

These are obligations to pay for goods or services that have been acquired in the ordinary course of business, and are recognized at the amount stated in the invoice or in the related contract. These payables are classified as current liabilities if payment is due in one year or less. If not, they are presented as non-current liabilities.

#### **2.8 Taxes on operations**

WRI Brasil is a non-profit entity, exempt from income tax and social contribution on net income (Note 16). Other taxes levied on its operating activities include: (a) Social Integration Program (PIS) - contribution of 1% on the payroll amount; (b) Contribution to the National Institute of Social Security (INSS) - employers' and employee's contributions; (c) Income Tax Withheld at Source (IRRF) levied on income from financial investments — withheld on a regular basis by the respective financial institutions; and Tax on Services (ISS) - 5% on services provided. From 2020, COFINS is no longer levied, as provided for in Normative Instruction on PIS and COFINS (IN 1911/2019), which determines in Article 23, paragraph 2, that the rendering of services - the Entity's activity - is not subject to this contribution.

#### **2.9 Other current assets and liabilities**

Other assets are stated at cost of acquisition, including, where applicable, accrued income and indexation adjustments, less a provision for adjustment to realizable value, where applicable. Other liabilities are stated at known or estimated amounts including, where applicable, charges and monetary variations incurred up to the balance sheet date.

#### **2.10 Net assets**

Net assets are comprised of donations from third parties, increased or decreased by the surplus or deficit determined for each year.

#### **2.11 Determination of surplus (deficit)**

Donations received by WRI Brasil that are earmarked for specific projects are recorded as "Donations received in advance" in current liabilities and are recorded in the statement of surplus as the resources are applied. Other income and expenses are recorded on the accrual basis of accounting.

#### **2.12 Critical accounting estimates and judgments**

Information on critical judgments regarding the accounting policies adopted that have an effect on the amounts recognized in the financial statements is included below.



## WRI Brasil

### Notes to the financial statements at December 31, 2021

All amounts in Brazilian reais unless otherwise stated

#### Provisions

Provisions are recognized when: (i) the Entity has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as finance cost.

#### 3 Cash and cash equivalents

	<u>2021</u>	<u>2020</u>
Cash - on hand	2,280	3,044
Banks	4,819	6,802
Sweep account investments	19,252	22,715
Investment funds- fixed income (*)	6,055,562	9,871,778
Bank Deposit Certificates (CDBs) (*)	<u>676,296</u>	<u>696,428</u>
	<u>6,758,208</u>	<u>10,600,767</u>

(\*) Investments in fixed income funds with Itaú, Bradesco, and Santander are readily convertible into a known amount of cash, and subject to an insignificant risk of change in value.

#### 4 Accounts receivable

At December 31, 2021, accounts receivable of R\$ 2,246,767 (R\$ 327,003 in 2020) comprise expenses incurred in the Entity's projects, supported by donation contracts. In 2021, there was no balance receivable from services rendered (R\$ 115,142 in 2020).



## WRI Brasil

### Notes to the financial statements at December 31, 2021

All amounts in Brazilian reais unless otherwise stated

#### 5 Fixed assets

	2021		2020		Annual depreciation rates -%
	Cost	Accumulated depreciation	Net	Net	
Furniture and fittings	356,494	239,618	116,876	149,090	10
IT equipment	656,222	379,543	276,679	193,494	20
Machinery and equipment	57,488	41,554	15,935	20,462	10
Leasehold improvements	151,958	149,345	2,613	11,788	20
Facilities	105,882	50,661	55,221	65,419	10
	1,328,045	860,721	467,324	440,253	

Changes in fixed asset balances were as follows:

	2021	2020
At the beginning of the year	440,253	492,249
Additions	173,977	104,349
Write-offs	(7,901)	(1,156)
Depreciation	(139,006)	(155,189)
At the end of the year	467,324	440,253

#### 6 Tax liabilities

	2021	2020
Social Contribution on Revenues (COFINS) (i)	2,477	109,159
Service Tax (ISS) (i)	2,232	11,283
Contributions withheld	916	19
Other taxes and contributions	295	2,553
	5,920	123,014
Current	5,920	13,855
Non-current	109,159	-

(i) Invoices for services rendered are subject to the levy of ISS (Note 2.8). The provision for COFINS on finance income was R\$ 2,478 (R\$ 109,159 in 2020).



## WRI Brasil

### Notes to the financial statements at December 31, 2021

All amounts in Brazilian reais unless otherwise stated

#### 7 Payroll charges

	<u>2021</u>	<u>2020</u>
Provision for vacation pay	1,247,443	1,023,474
Social charges	430,367	353,156
National Institute of Social Security (INSS)	<u>254,931</u>	<u>362</u>
	<u>1,932,742</u>	<u>1,376,992</u>

#### 8 Donations received in advance

The Entity received donations for implementing and maintaining its operational structure and running the projects under its responsibility.

Donations received in 2021 totaled R\$ 15,501,344 (R\$ 16,820,412 in 2020), of which R\$ 50,000 referred to unrestricted funds (R\$ 25,000 in 2020) and R\$ 15,451,344 to restricted funds (R\$ 16,795,412 in 2020). Of the restricted funds received, R\$ 20,601,487 (R\$ 17,534,695 in 2020) was applied during the year, and the remaining amount of R\$ 3,783,858 (R\$ 6,960,934 in 2020) will be used next year to give continuity to the operations and projects.

Donations of restricted funds from legal entities were as follows:

	<u>2021</u>	<u>2020</u>
Donations from legal entities	15,501,344	16,795,412
Inheritance and Donation Tax (ITCMD)	<u>(8,400)</u>	<u>(11,250)</u>
Voluntary donations, net	<u>15,492,944</u>	<u>16,784,162</u>

(i) 78.99% of donations of restricted funds received during the year (75% in 2020) are subgrants transferred by the World Resources Institute (Note 14 (a)).



## WRI Brasil

### Notes to the financial statements at December 31, 2021

All amounts in Brazilian reais unless otherwise stated

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#### 9 Net assets

Net assets comprise accumulated surplus of R\$ 3,821,102 (R\$ 3,338,445 in 2020).

In the event of dissolution, the balance of net assets must be transferred to non-profit entity or entities with a similar purpose, pursuant to Law 9,790/99.

Were the entity to lose its classification under Law 9,790/99, any net assets acquired with public resources during the period will be transferred to another legal entity duly qualified under the terms of Law 9,790/99, preferably having the same purpose.

#### 10 Rendering of services

In conformity with its by-laws, WRI Brasil provides support services to other programs, projects, and actions intended to either, directly or indirectly, promote systemic and long-lasting changes in the areas of climate and energy, people and ecosystems, markets and companies, institutions and governance, sustainable urbanization and mobility. In addition to the collection of donations, the Entity earns revenue from the rendering of services which include gap studies to identify the need to research forestry and sustainable development of native species, guidance manuals on safety and urban mobility for corporates and municipalities and diagnoses and plans to improve pedestrian mobility. The invoices issued for these services are subject to a Service Tax (ISS) at the rate of 5%. The balance of services invoiced and not rendered, if any, is recorded within Deferred revenue.

Summary of revenue from services rendered:

	<u>2021</u>	<u>2020</u>
Revenue from services	1,075,490	2,406,803
Taxes on sales	(50,201)	(130,340)
	<u>1,025,289</u>	<u>2,276,463</u>



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## WRI Brasil

### Notes to the financial statements at December 31, 2021

All amounts in Brazilian reais unless otherwise stated

#### 11 Sponsorship

In 2021, Banco Itaú sponsored the project *TRANSFORMANDO A MOBILIDADE URBANA NO BRASIL* (CHANGING URBAN MOBILITY IN BRAZIL), with R\$ 400,000, implemented by WRI Brasil. This project, which identifies a future vision for mobility beyond administrative management, providing new revenue sources for the proposed mobility model for the future. The project was carried out from April 2, 2021 to July 4, 2021.

	<u>2021</u>	<u>2020</u>
Sponsorship	400,000	200,000
	<u>400,000</u>	<u>200,000</u>

#### 12 General and administrative expenses

	<u>2021</u>	<u>2020</u>
Services provided by legal entities	(4,450,264)	(3,985,930)
Personnel expenses	(15,718,043)	(13,228,413)
Travel expenses (i)	(114,198)	(415,680)
Project costs (i)	(482,782)	(821,932)
Expenses with chattels and properties	(664,499)	(903,925)
Other expenses (ii)	(442,380)	(356,286)
	<u>(21,872,167)</u>	<u>(19,712,166)</u>

(i) The pandemic-related restrictions resulted in a reduction in airline travel (domestic and international), lodgings, communications (advertising/publicity), fairs and exhibitions, as well as in discounts on the lease of the two offices, and various consultancy services.

(ii) Other expenses consisted mainly of depreciation, utilities and other general expenses.

#### 13 Voluntary work

Voluntary work and services, not involving cash outlays to the Entity, related to the Board of Directors' meetings. Had the Entity been required to pay for these services, the estimated amount to be disbursed would have been approximately R\$ 19,975 in 2021 (R\$ 23,120 in 2020).

The fair value for voluntary work is stated in accordance with the Technical Interpretation ITG 2002, approved by Resolution 1409/12 of the Brazilian Federal Accounting Council (CFC).





## WRI Brasil

### Notes to the financial statements at December 31, 2021

All amounts in Brazilian reais unless otherwise stated

#### 14 Related-party transactions

WRI Brasil and WRI Washington DC are organizations legally bound by a Cooperation Agreement and a trademark license (Note 1).

WRI Washington DC participates in the strategic decisions and management of WRI Brasil.

The following transactions were carried out with related parties:

##### (a) Donations received

	<u>2021</u>	<u>2020</u>
World Resources Institute	<u>13,622,981</u>	<u>12,661,435</u>

##### (b) Year-end balances relating to reimbursement of expenses

	<u>2021</u>	<u>2020</u>
Receivables from related parties (Note 4)		
World Resources Institute	<u>2,246,767</u>	<u>218,384</u>

##### (c) Key management compensation

Key management personnel in 2021 comprised five directors (four directors in 2020), namely, the executive director, operations director, communications director, climate director and city director. The total annual compensation paid to key management for services was as below:

	<u>2021</u>	<u>2020</u>
Total key management compensation	<u>2,215,642</u>	<u>1,829,197</u>

Of the five directors, four are based at the head office of WRI Brasil in São Paulo, and one at the branch in Porto Alegre.



## WRI Brasil

### Notes to the financial statements at December 31, 2021

All amounts in Brazilian reais unless otherwise stated

#### 15 Finance result

	<u>2021</u>	<u>2020</u>
Earnings from financial investments	444,562	232,875
Discounts granted	(2,870)	
Other gains	20,910	1,261
Bank fees	(36,767)	(13,447)
Other finance income, net	<u>52,736</u>	<u>10,515</u>
	<u>478,571</u>	<u>231,204</u>

#### 16 Tax aspects

A non-profit entity is defined as an organization that does not generate a surplus from its activities, or, if a surplus is generated in a given fiscal year, the surplus is fully intended for the maintenance and development of the organization's social objectives, provided that all other legal conditions are met.

WRI Brasil is exempt from income tax and social contribution (pursuant to Article 150 of the Federal Constitution) and from the Social Contribution on Revenues (COFINS). In accordance with the disclosures required by ITG - 2002 - "Non-Profit Entities". Had the Entity not been exempted from the taxes and contributions, tax rates applied would be as follows: 15% for Income Tax, 9% for Social Contribution, 7.6% for COFINS on billings, and 1.65% for PIS on billings.

#### 17 Legal claims

The Company is not a party to any labor, civil, or tax lawsuit.

#### 18 Other information

- (a) In the years ended December 31, 2021 and 2020, the Entity did not carry out transactions involving derivative financial instruments.
- (b) The Entity does not grant private pension plan or any other retirement or post-employment benefit plan to its employees and officers, nor benefits in the form of bonus or profit sharing.



## WRI Brasil

### Notes to the financial statements at December 31, 2021

All amounts in Brazilian reais unless otherwise stated

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#### 19 Insurance

The Entity has contracted D&O (Civil Liability of Officers, Board Members and Management) insurance, with a limit of R\$ 10,000,000, effective from November 18, 2021 to November 18, 2022.

\* \* \*

*Elizabeth Farina*

**ELISABETH M. M. QUERIDO FARINA**  
Chief Executive Officer

*Ana Paula Aguiar da Costa*

**ANA PAULA SALVADOR DE AGUIAR DA COSTA**  
Accountant CRC-1-SP228.935-O-8

**Certificado de Conclusão**

Identificação de envelope: 2B82ED62FDA94EE5A9F7C689C02198E2

Status: Concluído

Assunto: WRIBR21IMC.DOC.pdf

Envelope fonte:

Documentar páginas: 19

Assinaturas: 1

Remetente do envelope:

Certificar páginas: 2

Rubrica: 0

Bruna Edelzuita dos Santos

Assinatura guiada: Ativado

Av. Francisco Matarazzo, 1400, Torre Torino, Água Branca

Selo com Envelopeld (ID do envelope): Ativado

São Paulo, SP 05001-100

Fuso horário: (UTC-03:00) Brasília

bruna.santos@pwc.com

Endereço IP: 18.231.224.29

**Rastreamento de registros**

Status: Original

Portador: Bruna Edelzuita dos Santos

Local: DocuSign

14 de junho de 2022 | 15:23

bruna.santos@pwc.com

Status: Original

Portador: CEDOC Brasil

Local: DocuSign

14 de junho de 2022 | 20:19

BR\_Sao-Paulo-Arquivo-Atendimento-Team

@pwc.com

**Eventos do signatário**

Lia Marcela Rusingue Fonseca

lia.fonseca@pwc.com

Socia

PwC BR

Nível de segurança: E-mail, Autenticação da conta (Nenhuma), Certificado Digital

**Detalhes do provedor de assinatura:**

Tipo de assinatura: ICP Smart Card

Emissor da assinatura: AC SERASA RFB v5

**Termos de Assinatura e Registro Eletrônico:**

Não disponível através da DocuSign

**Assinatura**

DocuSigned by:  
  
 69678CE1A9DA482...

Adoção de assinatura: Estilo pré-selecionado

Assinado pelo link enviado para

lia.fonseca@pwc.com

Usando endereço IP: 18.231.224.27

**Registro de hora e data**

Enviado: 14 de junho de 2022 | 15:26

Visualizado: 14 de junho de 2022 | 20:17

Assinado: 14 de junho de 2022 | 20:19

**Eventos do signatário presencial****Assinatura****Registro de hora e data****Eventos de entrega do editor****Status****Registro de hora e data****Evento de entrega do agente****Status****Registro de hora e data****Eventos de entrega intermediários****Status****Registro de hora e data****Eventos de entrega certificados****Status****Registro de hora e data****Eventos de cópia****Status****Registro de hora e data**

Bruna Edelzuita dos Santos

**Copiado**

Enviado: 14 de junho de 2022 | 20:19

bruna.santos@pwc.com

Visualizado: 14 de junho de 2022 | 20:19

Nível de segurança: E-mail, Autenticação da conta (Nenhuma)

Assinado: 14 de junho de 2022 | 20:19

**Termos de Assinatura e Registro Eletrônico:**

Não disponível através da DocuSign

**Eventos com testemunhas****Assinatura****Registro de hora e data****Eventos do tabelião****Assinatura****Registro de hora e data****Eventos de resumo do envelope****Status****Carimbo de data/hora**

<b>Eventos de resumo do envelope</b>	<b>Status</b>	<b>Carimbo de data/hora</b>
Envelope enviado	Com hash/criptografado	14 de junho de 2022   15:26
Entrega certificada	Segurança verificada	14 de junho de 2022   20:17
Assinatura concluída	Segurança verificada	14 de junho de 2022   20:19
Concluído	Segurança verificada	14 de junho de 2022   20:19

<b>Eventos de pagamento</b>	<b>Status</b>	<b>Carimbo de data/hora</b>
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