

**Instituto de Estudos  
Socioeconômicos**

**Financial statements**  
December 31, 2023

# Instituto de Estudos Socioeconômicos

Financial statements

December 31, 2023

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## Independent Auditors' Report on the Financial Statements

To the Administrators, Associates and Directors of  
Instituto de Estudos Socioeconômicos- INESC  
Brasília - DF

### Qualified opinion

We have audited the financial statements of **Instituto de Estudos Socioeconômicos - INESC** ("Institute"), which comprise the balance sheet as of December 31, 2023, and the statements of income for the period, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the following section entitled "Basis for a qualified opinion", the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of December 31, 2023, and the performance of its operations and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil applicable to small and medium-sized enterprises - NBC TG 1000 (R1), and with Resolution 1409/12 of the Federal Accounting Council - ITG 2002 (R1) - Non-Profit Entities.

### Basis for a qualified opinion

#### (i) Deemed cost

As mentioned in note 7 to the financial statements, in 2019, the Institute recorded the deemed cost on items of property, plant and equipment in the amount of BRL 1,613,827 against the "equity valuation adjustment" account in shareholders' equity. According to Brazilian accounting standards, recording the deemed cost on property, plant and equipment was only allowed on the date of initial adoption of the international accounting standards, which occurred before 2019, so it is not permissible to recognize it on a subsequent date. In addition, we note that during this period there was no recognition of depreciation reflecting the items revalued in the Institute's assets, as provided for in the aforementioned standard. Consequently, on December 31, 2023, property, plant and equipment and shareholders' equity are overstated by BRL 1,613,827.

#### (ii) Depreciation of property, plant and equipment

We found that the balances of property, plant and equipment prior to 12/31/2019 are not being depreciated individually, because according to the justification provided, this practice is due to the lack of information on the individual composition of these assets and that any adjustments will be made from the inventory scheduled for 2024. Due to limitations, we were unable to quantify the amounts involved, so the balance of property, plant and equipment and the income for the period are not properly presented.

Our audit was conducted in accordance with the Brazilian and international auditing standards. Our responsibilities, in accordance with these standards, are described in the following section entitled “Responsibilities of the auditors for the audit of the Financial Statements”. We are independent in relation to the Institute, in accordance with the relevant ethical principles set out in the Code of Professional Ethics for Accountants and the professional standards issued by the Federal Accounting Council, and we fulfill our other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support our qualified opinion.

## Emphasis

### (i) CEBAS

We would like to draw your attention to note 16, which states that the application for renewal of CEBAS was submitted on time under protocol No. 235874.0177879/2021, for the period from 10/24/2021 to 10/23/2023, and is in the technical analysis phase at the responsible body.

Our opinion is unqualified in this respect.

### (ii) Donations from third parties

We draw attention to notes 01 and 19.5, which mention that the Institute is not for profit and obtains a substantial part of its income in the form of donations from third parties (cooperation contracts and agreements with national and international donors), which can only be identified when they are recorded in the accounts. For this reason, our examinations in this area were restricted exclusively to book values.

Our opinion is unqualified in this respect.

## Other matters

### Audit of the amounts corresponding to the previous year.

The corresponding figures for the balance sheets, income statement, changes in equity and cash flows as of December 31, 2022, were audited by other auditors who issued a report dated May 12, 2023, with the same qualification as presented in this report.

### Adjustments to the balances of the statements ended December 31, 2022.

As disclosed in note 4.1, adjustments were made to the statements and the balances were restated, due to: i) amounts that were previously recorded as expenses, without the corresponding appropriation of income; ii) financial income from projects transferred to the institutional, without appropriation of income, iii) amounts of payments of expenses by projects (subsidiaries), without the corresponding appropriation of income and iv) recognition of a judicial deposit and a provision for probable losses in legal proceedings.

## Approval of the Financial Statements

The Financial Statements for the year ended 12/31/2023, prepared by the Institute's management, will be put on the agenda for approval by the directors at the next meeting and for ratification at the next General Meeting. As of the date of our report, there is no indication that the statements will not be approved and duly ratified.

### **Responsibilities of management and governance for the Financial Statements**

The Institute's management is responsible for the preparation and adequate presentation of the Financial Statements in accordance with the accounting practices adopted in Brazil applicable to small and medium-sized enterprises - NBC TG 1.000 (R1), and with Resolution 1409/12 of the Federal Accounting Council - ITG 2002 (R1) - Non-Profit Entities and the internal controls it determines are 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 Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when preparing the Financial Statements unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so. Those charged with governance of the Institute are responsible for overseeing the process of preparing the Financial Statements.

### **Responsibilities of the auditor 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 security, but not an assurance that the audit performed in accordance with the Brazilian and international audit standards will always detect any relevant existing misstatement. Misstatements may 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 the audit carried out in accordance with the Brazilian and international audit standards, we exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- We identified and assessed the risks of relevant misstatement in the Financial Statements, whether caused by fraud or error, planned and executed audit procedures in response to such risks and obtained appropriate and sufficient audit evidence on which to base our opinion

The risk of not detecting relevant misstatements caused by fraud is greater than that by error, since the fraud may involve the act of circumventing internal controls, collusion, falsification, omission or intentional misrepresentations.

- We understood internal controls relevant to the audit to plan audit procedures suitable to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal controls.
- We assessed the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by the Management.
- We concluded 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 Institute'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 until the date of our report. However, future events or conditions may lead to the Institute no longer being able to continue as a going concern.

We communicated with the people responsible for governance concerning, among other aspects, the planned scope, the time of the audit, and the significant audit findings, including any significant shortcomings in internal controls that we identified during our work.

Goiânia, April 8, 2024



Auditores Independentes S/S  
CRC No. GO-001106/0-9

Jackson Lara Ribeiro  
Accountant CRC GO 12.068/0

## Instituto de Estudos Socioeconômicos

Balance sheets as of December 31, 2023 and 2022  
(Amounts in Brazilian reais)

<b>Assets</b>	<b>Notes</b>	<b>2023</b>	<b>2022 Restated</b>
<b>Current</b>			
Cash and cash equivalents	5	2,009,487	2,017,323
Financial investments	5	6,237,994	5,431,786
Judicial Deposit	18	94,294	94,294
Advances	6	93,544	44,668
Prepaid expenses		1,961	1,149
<b>Total current assets</b>		<b>8,437,280</b>	<b>7,589,220</b>
<b>Non-current</b>			
Property, plant and equipment	7	2,289,730	2,424,495
Intangible Assets		65,619	63,240
<b>Total non-current assets</b>		<b>2,355,349</b>	<b>2,487,736</b>
<b>Total Assets</b>		<b>10,792,630</b>	<b>10,076,956</b>

(\*) The entity uses memorandum accounts for its accounting records. See details in Note 17.

**The notes are an integral part of the financial statements.**

## **Instituto de Estudos Socioeconômicos**

Balance sheets as of December 31, 2023 and 2022  
(Amounts in Brazilian reais)

<b>Liabilities and shareholders' equity</b>	<b>Notes</b>	<b>2023</b>	<b>2022 Restated</b>
<b>Current</b>			
Suppliers		1	1,400
Social, labor and tax obligations	8	512,376	326,007
Projects to be carried out	9	5,390,670	5,084,505
Other receivables		1,130	28,777
Provision for legal proceedings	18	99,947	99,295
<b>Total current liabilities</b>		<b>6,004,125</b>	<b>5,539,984</b>
<b>Shareholders' equity</b>	10		
Shareholders' Equity		2,923,146	4,463,212
Equity valuation adjustment		1,613,827	1,613,827
Surplus (deficit) for the year		251,533	(1,540,067)
<b>Total shareholders' equity</b>		<b>4,788,505</b>	<b>4,536,972</b>
<b>Total liabilities and shareholders' equity</b>		<b>10,792,630</b>	<b>10,076,956</b>

(\*) The entity uses memorandum accounts for its accounting records. See details in Note 17.

**The notes are an integral part of the financial statements.**



## Instituto de Estudos Socioeconômicos

### Statements of income

Fiscal years ended December 31, 2023 and 2022

(Amounts in Brazilian reais)

	<u>Notes</u>	<u>2023</u>	<u>2022 Restated</u>
<b>Restricted Revenues</b>			
<b>Revenues from agreements</b>			
Donations	11	11,226,337	10,255,787
<b>Unrestricted</b>	12		
Financial income		718,939	1,127,196
Administrative Fees		76,731	221,947
Recovered revenue		18,114	114,947
Other Income		40,080	-
		<b>12,080,200</b>	<b>11,719,877</b>
<b>Costs of projects and agreements</b>			
<b>Project activities expenses</b>	13		
Budget and rights		(1,296,735)	(1,534,913)
Empowered subjects		(1,179,159)	(1,138,271)
Expanded political reform		(118,962)	(1,434,895)
Institutional/Other expenses		(931,011)	(252,338)
Support institutional partners		(1,140,112)	(958,981)
		<b>(4,665,979)</b>	<b>(5,319,399)</b>
<b>Human Resources</b>	14		
Salaries		(4,520,597)	(4,988,024)
Social benefits		(1,076,380)	(1,009,476)
Social charges		(492,963)	(406,888)
Vacation provision		(147,172)	-
Other personnel costs		(20,635)	-
		<b>(6,257,748)</b>	<b>(6,404,388)</b>
<b>Operating expenses</b>	15		
Administrative and general		(565,446)	(1,035,086)
Financial Expenses		(97,572)	(186,560)
Administrative Fee		(76,731)	(164,794)
Depreciation and amortization		(152,535)	(139,832)
Other operating expenses		(12,656)	(9,884)
		<b>(904,941)</b>	<b>(1,536,156)</b>
<b>Total Expenses</b>		<b>(11,828,667)</b>	<b>(13,259,943)</b>
<b>Surplus (deficit) for the year</b>		<b>251,533</b>	<b>(1,540,067)</b>

**The notes are an integral part of the financial statements.**

## Instituto de Estudos Socioeconômicos

Statement of changes in equity  
 Fiscal years ended December 31, 2023 and 2022  
 (Amounts in Brazilian reais)

	<u>Note</u>	<u>Shareholders' equity</u>	<u>Equity valuation adjustment</u>	<u>Deficit for the year</u>	<u>Shareholders' Equity</u>
<b>Balances as of December 31, 2021</b>		<b>4,463,037</b>	<b>1,613,827</b>	<b>(166,937)</b>	<b>5,909,927</b>
Incorporation of the previous year's deficit		(166,937)	-	166,937	-
Deficit for the year		-	-	(1,540,067)	(1,540,067)
Previous adjustments		167,112	-	-	167,112
<b>Balances as of December 31, 2022 (Restated)</b>		<b>4,463,212</b>	<b>1,613,827</b>	<b>(1,540,067)</b>	<b>4,536,973</b>
Incorporation of the previous year's deficit		(1,540,067)	-	1,540,067	-
Surplus for the year		-	-	251,533	251,533
<b>Balances as of December 31, 2023</b>		<b>2,923,146</b>	<b>1,613,827</b>	<b>251,533</b>	<b>4,788,505</b>

The notes are an integral part of the financial statements.

## Instituto de Estudos Socioeconômicos

Cash flow statements - Indirect method  
Fiscal years ended December 31, 2023 and 2022  
(Amounts in Brazilian reais)

	<b>2023</b>	<b>2022 Restated</b>
<b>Cash flow from operating activities</b>		
Net surplus/deficit for the year	<b>251,533</b>	<b>(1,540,067)</b>
<b>Adjustment to</b>		
Depreciation/Amortization	152,535	139,832
Adjustments affecting cash and cash equivalents	-	(94,650)
	<b>404,069</b>	<b>(1,494,885)</b>
<b>Changes in operating assets</b>		
Advance to employees	8,780	31,312
Advance to third parties	(57,656)	(851)
Inventory	(812)	-
Amounts recoverable	-	1,305
	<b>(49,688)</b>	<b>31,766</b>
<b>Changes in operating liabilities</b>		
Accounts payable - suppliers	(1,399)	(4,000)
Projects to be carried out	306,165	(3,158,859)
Social, labor and tax obligations	186,369	(80,085)
Other receivables	(26,994)	231,504
	<b>464,141</b>	<b>(3,011,440)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>818,521</b>	<b>(4,474,559)</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(11,754)	(82,318)
Additions to intangible assets	(8,395)	(2,466)
<b>Net cash used in investing activities</b>	<b>(20,149)</b>	<b>(84,784)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>798,372</b>	<b>(4,559,343)</b>
Cash equivalents at the end of the year	8,247,481	7,449,109
(-) Cash and cash equivalents at the beginning of the year	7,449,109	12,008,452
<b>Increase (decrease) in cash and cash equivalents</b>	<b>798,372</b>	<b>(4,559,343)</b>

The notes are an integral part of the financial statements.

## **1. Operational context**

Instituto de Estudos Socioeconômicos (“Institute” or “INESC”) is a non-profit, public purpose, non-partisan, democratic, pluralist civil company governed by private law, operating throughout the Brazilian territory, with headquarters and jurisdiction in the city of Brasília, Federal District.

INESC’s aims and objectives are to:

I - Work for sustainable development; to strengthen the democratic process, pluralism, and ethical principles; to promote citizenship, guaranteeing respect for individual and collective human rights and social, political, economic, and cultural inclusion;

II - Ensure that the Legislative Branch is an effective space for strengthening the democratic process in the country, by advising parliamentarians in the discussion of social, economic, and political issues and the preparation of documents related to and inherent in the legislative process;

III - Advise grassroots movements, non-governmental organizations, trade unions, social welfare institutions, and other Brazilian civil society bodies on the drafting of public policy proposals in the interests of the sectors of Brazilian society they defend and/or represent;

IV - Monitor the legislative process, informing civil society organizations about their proposals and demands in progress in the Brazilian National Congress and vice versa, to promote integration between the two;

V - Prepare public policy proposals for the Legislative Branch, the Executive Branch, and organized civil society and implement the respective actions and activities necessary for their approval;

VI - Promote informal education and training to identify, diagnose and propose alternatives to problems of a political, social, economic, cultural and environmental nature;

VII - Monitor and evaluate the implementation by the executive branch of public policies of interest to Brazilian civil society;

VIII - Promote and support cultural activities that contribute to achieving institutional objectives;

IX - Carry out studies and research that contribute to achieving the objectives contained in the previous items; and

X - Provide advisory and consultancy services to other civil society entities or public bodies, either national or international, in the areas in which INESC operates, and maybe prepare and develop products of an editorial nature, for cultural dissemination and political education, organizing and holding seminars, congresses and similar activities.

## 2. Basis of preparation

The financial statements have been prepared by and are the responsibility of the entity's management and are presented in accordance with the accounting practices adopted in Brazil, which comprise the Resolutions of the Federal Accounting Council (CFC) and the pronouncements of the Accounting Pronouncements Committee (CPC), and follow the International Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB). As this is a non-profit association, the financial statements were prepared mainly in accordance with ITG 2002 (R1) - Non-Profit Entity, approved by Resolution 1409, of September 21, 2012, by Technical Communication CTG 2000, approved by Resolution 1159, of February 13, 2009, of the Federal Accounting Council (CFC) and by NBC TG 1000 (R1) - Accounting for Small and Medium-Sized Enterprises, for aspects not covered by ITG 2002 (R1) - Non-Profit Entity. The issuance of the financial statements was approved by the entity's Management on March 19, 2024.

Details of the accounting policies are presented in Note 4.

## 3. Functional currency and presentation currency

These financial statements are presented in Reais, which is the Institute's functional currency.

## 4. Presentation of the financial statements and significant accounting practices

### 4.1. Restatement of the 2022 financial statements

The Institution's management is restating the financial statements for the year ended December 31, 2022 due to the correction of accrual errors from previous years, relating to the monthly recognition of revenues from projects and agreements. These adjustments are being presented retroactively in accordance with Section 10 and Section 3 of NBC TG 1000 and produced the following impacts on the Institution's financial statements in relation to the amounts previously presented:

(i) Assets	12/31/2022		
	Disclosed Statement	Adjustments	Restated Statement
Cash and cash equivalents	2,032,996	(15,673)	2,017,323
Financial investments	5,431,786	-	5,431,786
Judicial Deposit	-	94,294	94,294
Other current assets	45,817	-	45,817
<b>Current Assets</b>	<b>7,510,599</b>	<b>78,621</b>	<b>7,589,220</b>
Non-current assets	2,487,736		2,487,736
<b>Total Assets</b>	<b>9,998,335</b>	<b>78,621</b>	<b>10,076,956</b>

**Instituto de Estudos Socioeconômicos**  
Notes to the financial statements  
Fiscal years ended December 31, 2023 and 2022  
(Amounts in Brazilian reais)

<b>(ii) Liabilities and Shareholders' Equity</b>	<b>12/31/2022</b>		
	<b>Disclosed Statement</b>	<b>Adjustments</b>	<b>Restated Statement</b>
<b>Current Liabilities</b>	<b>5,707,452</b>	<b>(167,468)</b>	<b>5,539,984</b>
Other receivables	295,540	(266,763)	28,776.94
Provision for legal proceedings	-	99,295	99,294.95
Other current liabilities	5,411,912		5,411,912
<b>Shareholders' equity</b>	<b>4,290,883</b>	<b>246,089</b>	<b>4,536,972</b>
Shareholders' Equity	5,909,927	167,112	6,077,039
Surplus (deficit) for the year	(1,619,044)	78,977	(1,540,067)
<b>Total liabilities and shareholders' equity</b>	<b>9,998,335</b>	<b>(78,621)</b>	<b>10,076,956</b>
<b>(iii) Income Statement for the Period</b>			
<b>Income</b>	<b>11,719,877</b>	<b>-</b>	<b>11,719,877</b>
Costs of projects and agreements			
Project activities expenses	(5,319,399)	-	(5,319,399)
Human Resources	(6,404,388)	-	(6,404,388)
Operating expenses	(1,615,133)	78,977	(1,536,156)
<b>Expenses</b>	<b>(13,338,920)</b>	<b>78,977</b>	<b>(13,259,943)</b>
<b>Surplus (deficit) for the year</b>	<b>(1,619,044)</b>	<b>78,977</b>	<b>(1,540,067)</b>

The main accounting policies applied in the preparation of the financial statements are set out below:

#### **4.2. Revenue recognition**

##### **Revenue from agreements**

Cash received for use in projects is deposited in specific bank accounts, with a balancing entry under liabilities. When allocated to financial investments, the balances of these investments are increased by the corresponding financial income.

The remaining balances of project funds, shown in current liabilities, correspond to the sum of the funds received from financial backers and not yet invested in the projects. As the funds are used to carry out projects/provide services, the amounts invested are written off as expenses.

##### **Unrestricted revenues**

Unrestricted revenues include: (i) financial income from the funds of agreements, when invested in financial institutions to make the most of the funds not yet used in the projects; (ii) administrative fees, which consist of the Institute charging, through the Institute, funds for intermediation in the administration of projects; and (iii) other occasional revenues.

### **Financial revenues and financial expenses**

The Institute's financial income and expenses comprise:  
(i) Income from fixed-income financial investments; (ii) Other financial income and expenses; (iii) Gains/losses from exchange-rate change gains and losses.

#### **4.3. Benefits to employees**

Short-term employee benefit obligations are recognized as personnel expenses as the corresponding service is provided. The liability is recognized at the amount of the expected payment if the Institute has a present legal or constructive obligation to pay that amount as a result of past service rendered by the employee, and the obligation can be reliably estimated.

#### **4.4. Property, plant and equipment**

Items of property, plant and equipment are measured at historical acquisition cost, less accumulated depreciation and any accumulated impairment losses, when applicable.

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will be earned by the Institute. Recurring maintenance and repair costs are recognized in the income statement when incurred.

Depreciation is calculated using the straight-line method over the estimated useful life of the assets, as shown in the table below:

<b>Description</b>	<b>Annual rate</b>
Facilities	4%
Furniture and fixtures	10%
Computer equipment	20%
Machinery and equipment	20%

#### **4.5. Provisions**

##### **4.5.1. General**

Provisions are recognized when the Institute has a present obligation as a result of a past event, economic benefits will probably be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is shown in the income statement.

##### **4.5.2. Provision for legal risks**

Provisions are set up for all contingencies relating to lawsuits to which the disbursement of funds is probable to settle the contingency/obligation and a reasonable estimate can be made. The assessment of the likelihood of loss includes the assessment of available evidence, the hierarchy of laws, available jurisprudence, the latest decisions awarded by courts and their relevance in the legal system, as well as the assessment made by external lawyers. Provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable limitation period,

conclusions of tax inspections or additional exposures identified based on new matters or decisions of the courts.

Lawsuits related to civil, labor or tax issues in progress have been provisioned and disclosed by the Institute.

#### **4.5.3. Impairment of non-financial assets**

The Management annually reviews the net book value of assets to assess events or changes in economic, operational, or technological circumstances that may indicate their deterioration or impairment. If such evidence is identified and the net book value exceeds the recoverable value, a provision for impairment is set up, adjusting the net book value to the recoverable value. The recoverable value of an asset or a certain cash-generating unit is defined as the higher value between the value at use and the net sales value.

The Institute periodically assesses the effect of this procedure on the financial statements, recognizing the necessary adjustments when there is evidence.

#### **4.6. Financial assets and liabilities**

All financial assets and liabilities are initially recognized when the Institute becomes a party to the contractual provisions of the instrument.

##### **a. Financial assets**

On initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. Financial assets are not reclassified after initial recognition, unless the Institute changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

- It is held within a business model whose objective is to hold financial assets to receive contractual cash flows;
- Its contractual terms generate, on specific dates, cash flows that are only related to the payment of principal and interest on the outstanding principal amount.

A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

- It is maintained within a business model whose objective is achieved both by receiving contractual cash flows and by selling financial assets;
- Its contractual terms generate, on specific dates, cash flows that are only payments of principal and interest on the outstanding principal amount.

All financial assets not classified as measured at amortized cost or at fair value



through other comprehensive income, as described above, are classified as at fair value through profit or loss.

They comprise financial investments in cash and cash equivalents and advances receivable.

**b. Cash and cash equivalents**

Cash equivalents are held for meeting short-term cash commitments and not for investment or other purposes. The Institute considers cash equivalents to be a financial investment that can be converted immediately into a known amount of cash and is subject to an insignificant risk of change in value. Therefore, an investment is normally qualified as a cash equivalent when it has a short-term maturity, for example, three months or less from the date of contracting. Financial investments are recognized at fair value through profit or loss.

**c. Financial liabilities**

They are measured at amortized cost using the effective interest method. They include balances payable to suppliers.

**d. Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**4.7. Suppliers**

Trade accounts payable are obligations to pay for goods or services that have been acquired from suppliers in the normal course of business. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

**4.8. Shareholders' equity**

Represented by the value of the initial equity plus (less) the surplus (deficit) for the years.

## 5. Cash and cash equivalents and Financial investments

	<b>2023</b>	<b>2022</b>
<b>Unrestricted</b>		
Interest Fund	44	2,275
Bank - checking account	1,935,292	1,988,110
Financial Investments	1,284,796	645,410
	<b>3,220,131</b>	<b>2,635,795</b>
<b>With restriction</b>		
Bank - checking account	74,152	26,938
Financial Investments	4,953,198	4,786,376
	<b>5,027,350</b>	<b>4,813,314</b>
	<b>8,247,481</b>	<b>7,449,110</b>

- (i) The balance refers to financial investments in fixed-income investment funds with a benchmark in the Interbank Deposit Certificate (CDI). In 2023, it paid between 100 and 102% of the CDI. Investments can be redeemed at any time without prejudice to the appropriate remuneration (immediate liquidity).

## 6. Advances

	<b>2023</b>	<b>2022</b>
Advances to employees (i)	29,418	38,198
Travel advance (i)	64,126	6,470
	<b>93,544</b>	<b>44,668</b>

- (i) Refers to advances made by the institution for vacation pay, the amount of which at the end of 2023 totaled BRL 29,418.
- (ii) Refers to advances for activities carried out up to December 31, 2023, in the amount of BRL 64,126, whose accounts were not rendered within the year.

## 7. Property, plant and equipment

	Facilities	Communication equipment	Computer equipment	Office equipment	Furniture and fixture	Total
<b>Cost</b>						
<b>Balance as of 12/31/2022</b>	<b>2,620,956</b>	<b>16,163</b>	<b>334,335</b>	<b>119,708</b>	<b>236,941</b>	<b>3,328,103</b>
Additions	-	606	11,149			
Write-offs	-	-	-	-	-	-
<b>Balance as of 12/31/2023</b>	<b>2,620,956</b>	<b>16,769</b>	<b>345,484</b>	<b>119,708</b>	<b>236,941</b>	<b>3,339,857</b>
<b>Accumulated depreciation</b>						
<b>Balance as of 12/31/2022</b>	<b>(687,339)</b>	<b>(3,240)</b>	<b>(119,297)</b>	<b>(55,186)</b>	<b>(38,546)</b>	<b>(903,608)</b>
Annual depreciation	(104,838)	(720)	(26,603)	(7,666)	(6,692)	(146,519)
Write-offs	-	-	-	-	-	-
<b>Balance as of 12/31/2023</b>	<b>(792,177)</b>	<b>(3,960)</b>	<b>(145,900)</b>	<b>(62,852)</b>	<b>(45,238)</b>	<b>(1,050,127)</b>
<b>Net amount</b>						
<b>Balance as of December 31, 2022</b>	<b>1,933,617</b>	<b>12,923</b>	<b>215,038</b>	<b>64,522</b>	<b>198,395</b>	<b>2,424,495</b>

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<b>Balance as of December 31, 2023</b>	<b>1,828,779</b>	<b>12,809</b>	<b>199,583</b>	<b>56,856</b>	<b>191,703</b>	<b>2,289,730</b>
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The Institute's property, plant and equipment includes the recognition of a deemed cost portion in the amount of BRL 1,613,827, according to the technical appraisal reports for movable and immovable property issued on February 20, 2019. The practice of recognizing the deemed cost was only allowed in the initial adoption of the international accounting standards, which took place before 2019.

On December 31, 2023 and 2022, there were no assets pledged as security for debts.

## 8. Social, labor and tax obligations

	<b>2023</b>	<b>2022</b>
<b>Tax obligations and labor charges</b>		
Vacation provision	472,804	325,632
Employee Withholding Income Tax - IRRF	39,572	-
National Social Security Institute - INSS Contribution payable (Third parties)	-	300
<b>Tax obligations</b>		
Third-Party Service Tax - ISS	-	75
<b>Total</b>	<b>512,376</b>	<b>326,007</b>

The amounts relating to the payment of personnel costs and their respective charges are apportioned among the projects in accordance with the budget allocations intended to cover administrative costs.

## 9. Projects to be carried out

<b>Projects to be carried out</b>	<b>Amount</b>
<b>Opening balance 01/01/2023</b>	<b>5,084,505</b>
Inflow	11,670,878
Outflow	(11,364,713)
<b>Closing balance as of 12/31/2023</b>	<b>5,390,670</b>

The breakdown of balances by project on 12/31/2023 and 12/31/2022 is shown in the table below:

<b>Projects to be carried out</b>	<b>2023</b>	<b>2022</b>
C. S. MOTT FOUNDATION	233,793	152,400
FUNDAÇÃO FORD	79,152	280,259
INSTITUCIONAL	327,840	260,405
KNH	8,716	3,802
OPEN SOCIETY FOUNDATIONS	1,555,141	1,399,721
OXFAM BRASIL-MAPA DA DESIGUALDADE	-	50,062
PPM - QUADRIENAL	324,834	143,524
PPM-DH	2,199	23,866
PRÊMIO ITAÚ	54,236	58,078
ICS-INSTITUTO CLIMA E SOCIEDADE	248,569	66,832
FASTENOPFER	344,002	328,016
MISEREOR - INESC	7,313	4,607
CLUA	-	825,393
CLUA MINERAÇÃO	410,408	517,152
SAGE	449,134	258,881

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RAINFOREST	-	6,884
THE MALALA FOUND	303,125	125,163
PWA	93,082	238,415
FUNDAR- CENTRO DE ANALISIS E INVESTIGACION	106,873	292,902
MISEREOR-DH 2022-2025	59,551	6,625
CAMPANHA EDUCACAO	-	41,516
INSTITUTO IBIRAPITANGA	121,817	-
WELLSPRING	186,407	-
ITAIPIU BINACIONAL	86,534	-
ETF	387,943	-
	<b>5,390,670</b>	<b>5,084,505</b>

The main projects managed by the entity up to 12/31/2023 were:

- **Open Society, General Support project**, OR2023-90791, from 09/01/2023 to 12/25/2025, for a total amount of US\$ 400,000.00.
- **PPM**, project Defense of democracy and social and environmental rights, L-BRA-2021-0214, period from 01/01/2022 to 12/31/2024, total amount of EUR 995,000.00.
- **Ford Foundation, General Support project**, 139434, period from 04/01/2021 to 03/31/2024, total amount of US\$ 600,000.00.
- **CLUA (Climate and Land Use Alliance)**, Socio-environmental rights protected from setback project, period 11/01/2021 to 10/31/2023, total amount of US\$ 250,000.00.
- **Rainforest**, project Public Budget and Rights in the Brazilian Amazon, period 04/01/2021 to 12/31/2025, total amount of BRL 2,898,823.00.
- **Charles Stewart Mott Foundation**, G-2021-08302, project Finance for sustainable development in South America, period 03/01/2023 to 02/28/2025, total amount of US\$ 200,000.00.
- **Malala Fund**, project Monitor federal and state education budgets to ensure that adequate resources are allocated for a quality education, period from 07/04/2022 to 06/30/2024, total amount of US\$ 202,000.00.

## 10. Shareholders' equity

### a. Shareholders' equity

The Institute's assets are basically made up of the initial assets and the surpluses and deficits accumulated over time.

### b. Equity valuation adjustment

Records the value of the deemed cost recognized by the Institute on the basis of a technical appraisal report. See details in note 7.

## 11. Donations

Donations	2023	2022
OPEN SOCIETY FOUNDATIONS	1,718,180	1,073,794
PPM - QUADRIENAL	1,307,592	1,514,204
FUNDAÇÃO FORD	1,165,707	822,619
CLUA Inesc	825,393	401,206
EUROPEAN UNION - POLITICAL REFORM	682,201	799,716
RAINFOREST	620,727	881,999
CLUA Mineração	597,955	438,368

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C.S MOTT FOUNDATION	388,414	530,714
THE MALALA FOUND	373,332	424,113
MISEREOR-DH 2022-2025	361,205	409,482
MISEREOR - budget and rights	318,100	380,756
KNH DIVERSIDADE E DIREITOS	326,481	-
ITAIPU BINACIONAL	313,466	-
FASTENAKTION - TRANSICAO ENERGETICA	310,707	-
FUNDAR	305,561	207,756
SAGE	289,777	206,065
PPM-DH -2022-2025	181,637	190,100
WELLSPRING	149,442	-
PWA	145,332	159,461
ICS-GD Social - COOPERATION CONTRACTS	131,431	-
FUNDAÇÃO ROSA LUXEMBURGO	125,000	-
FUNDAÇÃO HEINRICH BÖLL	110,000	216,462
ETF	89,667	258,160
CANADA FUND	83,947	-
INSTITUTO IBIRAPITANGA	78,183	-
ICS - COMUNICANDO COM A SOCIEDADE	66,832	391,439
EDUCATION CAMPAIGN	62,393	10,529
OXFAM - Map of inequalities project	50,062	109,938
INSTITUCIONAL	43,769	53,244
ITAU AWARD	3,842	14,399
FASTENOPFER	-	354,594
KNH	-	282,557
AVINA AMERICA INC.	-	110,410
ACTION AID	-	13,701
<b>Total</b>	<b>11,226,337</b>	<b>10,255,787</b>

## 12. Unrestricted revenues

	2023	2022
<b>Financial income</b>	<b>718,939</b>	<b>1,127,196</b>
<b>Administrative fees</b>		
European Union Political Reform	-	216,747
Sage	-	5,000
Clua	2,184	200
ITAIPU BINACIONAL	60,000	
PWA	14,547	
<b>Total Administrative fees</b>	<b>76,731</b>	<b>221,947</b>
<b>Other income</b>		
Activities	40,080	97,607
Health insurance	18,114	12,587
Disposal	-	3,000
FGTS fine	-	1,433
Appropriation between projects	-	277
Exchange-rate change gain	-	42
<b>Total other income</b>	<b>58,194</b>	<b>114,946</b>

## 13. Activities and projects expenses

### a. Budget and rights

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	<b>2023</b>	<b>2022</b>
Cost allowance	(7,130)	(19,380)
Meal	(33,251)	(43,980)
Equipment rental	-	(2,170)
Space rental	(6,720)	(12,200)
Purchase of materials	(8,688)	(1,143)
Consulting	(387,797)	(680,303)
Layout	(49,921)	(45,456)
Daily allowance	(19,987)	(46,456)
Interns	(9,087)	(14,491)
Facebook and other digital media	(23,134)	(22,679)
Footage/videos	(63,360)	(30,530)
Accommodation	(96,251)	(85,499)
Printing materials	(49,762)	(7,403)
Phone calls	-	(25)
Mailing	(2,775)	(3,892)
Monitoring	(8,320)	(11,331)
Others	(34,767)	(135,035)
Airfare	(401,491)	(298,139)
Land ticket	(240)	(2,400)
Refund	(3,746)	(3,126)
Review	(5,346)	(6,508)
Travel insurance	(2,928)	(22,517)
Website	(19,568)	(224)
Translation	(9,451)	(4,770)
Transportation	(53,014)	(35,256)
	<b>(1,296,735)</b>	<b>(1,534,913)</b>

**b. Empowered subjects**

	<b>2023</b>	<b>2022</b>
Cost allowance	(1,041)	(171)
Meal	(42,427)	(14,416)
Space rental	(10,836)	(3,100)
Purchase of materials	(778)	(733)
Consulting	(491,680)	(624,373)
Layout	(44,505)	(42,769)
Daily allowance	(45,313)	(29,328)
Interns	(19,456)	(14,925)
Facebook and other digital media	(1,284)	(13,491)
Footage/videos	(45,999)	(14,250)
Accommodation	(113,888)	(60,050)
Printing materials	(23,154)	(14,536)
Monitoring	(9,070)	(6,400)
Others	(37,932)	(41,469)
Airfare	(224,036)	(200,543)
Land ticket	-	(200)
Review	(2,776)	(13,907)
Travel insurance	(10,856)	(3,909)
Website	(8,112)	(40)
Translation	(10,382)	(18,087)
Transportation	(35,635)	(21,574)
	<b>(1,179,159)</b>	<b>(1,138,271)</b>

**c. Expanded political reform**

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	<b>2023</b>	<b>2022</b>
Consulting	(77,000)	(51,472)
Airfare	(40,155)	(310,327)
Daily allowance	(853)	(7,805)
Printing materials	(600)	(32,159)
Others	(264)	(620,137)
Transportation	(90)	(12,344)
Cost allowance	-	(36,672)
Meal	-	(5,274)
Space rental	-	(15,520)
Purchase of materials	-	(5,116)
Layout	-	(10,813)
Facebook and other digital media	-	(104,537)
Footage/videos	-	(113,889)
Accommodation	-	(93,374)
Monitoring	-	(450)
Refund	-	(5,653)
Travel insurance	-	(454)
Translation	-	(8,900)
	<b>(118,962)</b>	<b>(1,434,895)</b>

**d. Institutional/Other expenses**

	<b>2023</b>	<b>2022</b>
Cost allowance	(58,461)	(22,298)
Meal	(33,102)	(4,056)
Annuity	(5,546)	(5,845)
Consulting	(323,797)	(8,028)
Daily allowance	(12,104)	(17,614)
Accommodation	(156,162)	(7,512)
Others	(145,777)	(74,647)
Equipment rental	(2,500)	-
Airfare	(160,981)	(88,731)
Purchase of materials	(2,106)	-
Interns	(240)	-
Printing materials	(1,355)	-
Monitoring	(300)	-
Website	(364)	-
Review	(1,393)	-
Land ticket	(220)	-
Refund	(141)	(260)
Travel insurance	(10,041)	(13,050)
Translation	(3,981)	(7,558)
Transportation	(12,440)	(2,139)
	<b>(931,011)</b>	<b>(252,338)</b>

**e. Support institutional partners**

	<b>2023</b>	<b>2022</b>
Land ticket	(8,500)	-

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Meal	(2,526)	(3,876)
Space rental	(87,700)	(14,400)
Purchase of materials	(1,199)	(3,794)
Consulting	(403,467)	(576,081)
Post Office	(560)	(1,716)
Layout	(51,126)	(430)
Daily allowances	(9,482)	
Interns	(13,333)	-
Facebook and other digital media	(11,489)	(40,674)
Footage/videos	(10,875)	(33,425)
Accommodation	(17,172)	(38,961)
Printing materials	(84,134)	(63,130)
Phone calls	(3,711)	(5,675)
Others	(115,379)	(18,530)
Airfare	(127,682)	(121,960)
Mailing	(8,630)	-
Refund	(10,006)	(1,750)
Review	(37,491)	(351)
Travel insurance	(825)	(830)
Website	(7,816)	(15,301)
Translation	(27,503)	(13,397)
Transportation	(99,505)	(4,702)
	<b>(1,140,112)</b>	<b>(958,981)</b>

#### 14. Personnel expenses

	<b>2023</b>	<b>2022</b>
Salary	(3,738,856)	(3,874,487)
Meal vouchers	(509,928)	(510,329)
Termination of contract	(135,501)	(499,984)
Health Insurance	(489,834)	(458,009)
Vacation	(336,557)	(305,834)
Employee Severance Guarantee Fund - FGTS	(449,038)	(359,607)
Christmas Bonus	(310,131)	(240,163)
Transportation Allowance	(76,619)	(100,424)
Social Integration Program - PIS	(43,925)	(47,281)
Others	-	(8,270)
Vacation provision	(147,172)	-
Interns	(20,186)	-
	<b>(6,257,748)</b>	<b>(6,404,388)</b>

#### 15. Operating expenses

##### a. Administrative and general



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	<b>2023</b>	<b>2022</b>
Credit card annuity	(225)	(310)
CORECON annuity	(740)	(672)
Admission and dismissal certificates	(4,002)	(655)
External audits	(160,281)	(55,750)
Registry Office	(1,131)	(1,282)
Digital certificate	(585)	(1,485)
Condominium and fees	(44,115)	(52,000)
Pantry and bathrooms	(17,080)	(15,249)
Crown of flowers	(685)	(929)
Post Office	(63)	(4,989)
Electric power	(33,532)	(23,204)
Photocopies	0	(7,303)
Legal fees	(6,652)	(35,017)
INPI - registration of the INESC trademark	(775)	(642)
Internet	(15,975)	(13,973)
Municipal Property Tax - IPTU	(3,863)	(4,367)
Interest	0	(28)
Maintenance and conservation	(11,827)	(23,744)
Maintenance and equipment	(33,040)	(34,286)
Office supplies	(12,826)	(21,859)
Fine	(52,673)	(625,246)
Insurance	(3,225)	(3,253)
Accounting services	(77,000)	(32,000)
Radar system	(72,243)	(57,186)
Telephone	(11,328)	(17,398)
External services	(1,581)	(2,260)
	<b>(565,446)</b>	<b>(1,035,086)</b>

**b. Financial expenses**

	<b>2023</b>	<b>2022</b>
Bank expenses	(56,241)	(162,475)
Tax on financial transactions - IOF	(37,146)	(20,171)
Bank fees for foreign exchange transactions	(4,185)	(3,915)
	<b>(97,572)</b>	<b>(186,560)</b>

**c. Administrative fee**

	<b>2023</b>	<b>2022</b>
CLUA	(2,184)	(17,445)
PWA	(14,547)	(3,000)
ITAIPIU BINACIONAL	(60,000)	
ETF	-	(1,200)
H BOLL GCB	-	(4,000)
OXFAM	-	(10,000)
SAGE	-	(46,000)
EUROPEAN UNION - POLITICAL REFORM	-	(83,149)
	<b>(76,731)</b>	<b>(164,794)</b>

**d. Depreciation and amortization**

	<b>2023</b>	<b>2022</b>
Depreciation	(146,519)	(139,832)
Amortization	(6,016)	-
	<b>(152,535)</b>	<b>(139,832)</b>

**e. Other operating expenses**

	<b>2023</b>	<b>2022</b>
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FDCA/DF Project - No. 417.000.687/2015	-	(4,642)
Project F. Boll-4021.10.35	(10,350)	-
Appropriation between projects	(2,307)	(5,242)
	<b>(12,656)</b>	<b>(9,884)</b>

## 16. Exemptions

### a. Exemptions

The exemption from social contributions in 2023, including the employer's contribution of the National Social Security Institute - INSS (in accordance with CEBAS), totaled BRL 969,874.

Since it is a non-profit organization, it also enjoys the benefit of exemption from the payment of federal taxes on its surplus, in accordance with article 184 of the Income Tax Regulations (RIR) approved by Decree 9580 of 11/22/18 and Law 9532/97, and exemption from the payment of COFINS on revenues related to the Entity's own activities, in accordance with Laws 9718/98 and 10833/03 and NI 1911/2019.

INESC's management has submitted a timely application for renewal of the CEBAS, protocol No. 235874.0177879/2021, for the period from 10/24/2021 to 10/23/2023, which is currently undergoing technical analysis by the responsible body.

### b. Free-of-charge services granted

The services provided by the institution are entirely free of charge, ongoing, permanent and planned to achieve its mission of defending and guaranteeing rights: it provides services and carries out programs or projects aimed primarily at improving democratic processes to guarantee human rights. To this end, it works directly to build a dialog with the citizen and to articulate and strengthen civil society in order to influence national and international governance spaces and the conscience of society, under the terms of Law 8742/1993 (art. 2, III) and subsequent regulations.

## 17. Memorandum accounts

The Institute uses the system of memorandum accounts, which is a separate control system from the assets system, i.e. while the latter includes the accounts that make up the Institute's assets as a whole, the former includes accounts that serve exclusively for control purposes, without being part of the assets. The balances of the memorandum accounts correspond to the following amounts:

	<b>2023</b>	<b>2022</b>
<b>Commitments to agreements - Assets and Liabilities</b>		
Charles S. Mott Foundation	557,990	557,990
Fundação Ford	2,231,960	2,231,960
ICS	329,000	329,000
Misereor INESC	580,084	580,084
Rainforest	2,245,099	2,245,099
European Union	762,918	762,918
	<b>6,707,051</b>	<b>6,707,051</b>
<b>Loans between projects - Assets and Liabilities</b>		
Reserve for the European Union Political Reform	-	762,918
FUNDAÇÃO BOLL - No. 1254.1096	-	10,000
MISEREOR	40,178	120,325
	<b>40,178</b>	<b>893,243</b>

## 18. Judicial deposits

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INESC has judicial deposits to cover the FGTS tax enforcement lawsuit, underway at the 19<sup>th</sup> Federal Tax Enforcement Court of the SJDF, under No. 1060922-09.2020.4.01.3400, relating to the collection of CDA FGDF202000143, originating from NDFC No. 201238349, drawn up on 08/27/2018, base dates 01/2000 to 06/2018, in the original amount of BRL 42,626.87 and updated to BRL 93,113.38.

INESC filed a Pre-Execution Exception on July 23, 2021, informing that it had filed a motion for declaratory judgment for non-existence of debt cumulated with annulment of a tax assessment notice with a request for a precautionary injunction, a case distributed in the Labor Court and underway before the 20<sup>th</sup> Labor Court, registered under No. 0000804-06.2020.5.10.0020, at which time it requested the granting of precautionary injunctive relief so that the Federal Government would issue a certificate of regularity of the CRF/FGTS upon proof of the requirements set forth in art. 300 of the CPC and the deposit of the undisputed amount of the debt.

On December 09, 2020, the 20<sup>th</sup> Labor Court made the granting of the injunction conditional on the full deposit of the debt.

INESC made two deposits, in the amounts of BRL 20,954.65 and BRL 73,339.48, totaling BRL 94,294.13 (the amount of the debt updated to 12/11/2020).

On July 11, 2023, the Court of the 19<sup>th</sup> Federal Tax Enforcement Court of the SJDF partially accepted the pre-execution exception, to suspend the processing of the tax enforcement until the annulment action No. 0000804- 06.2020.5.10.0020 became final.

On May 20, 2021, the 20<sup>th</sup> Labor Court dismissed the request for annulment of the infraction notice and the fine imposed, arbitrating attorney's fees at 10% of the value of the case, totaling BRL 4,781.10. INESC filed an Ordinary Appeal on June 23, 2021, which was received by the Regional Labor Court of the 10<sup>th</sup> Region on July 28, 2021 and is awaiting judgment.

Provisions were made in Current Liabilities for the annulment action No. 0000804-06.2020.5.10.0020, as well as the amount of legal fees, as shown below:

**(i) Provision for lawsuits - Liabilities**

<b>Lawsuit</b>	<b>12/31/2021</b>	<b>Addition</b>	<b>Write-off</b>	<b>12/31/2022</b>
1060922-09.2020.4.01.3400 - FGTS tax enforcement	BRL 94,294.13	BRL 0.00	BRL 0.00	BRL 94,294.13
0000804-06.2020.5.10.0020 - Attorney's fees for succumbing to the law	BRL 4,781.10	BRL 219.72	BRL 0.00	BRL 5,000.82
<b>Total</b>	<b>BRL 99,075.23</b>	<b>BRL 219.72</b>	<b>BRL 0.00</b>	<b>BRL 99,294.95</b>

<b>Lawsuit</b>	<b>12/31/2022</b>	<b>Addition</b>	<b>Write-off</b>	<b>12/31/2023</b>
1060922-09.2020.4.01.3400 - FGTS tax enforcement	BRL 94,294.13	BRL 0.00	BRL 0.00	BRL 94,294.13
0000804-06.2020.5.10.0020 - Attorney's fees for succumbing to the law	BRL 5,000.82	BRL 652.49	BRL 0.00	BRL 5,653.31
<b>Total</b>	<b>BRL 99,075.23</b>	<b>BRL 652.49</b>	<b>BRL 0.00</b>	<b>BRL 99,947.44</b>

Judicial deposits were monetarily restated this year, justifying the change in relation to 2020 and 2021, as shown below:

**(ii) Judicial Deposit - Assets**

<b>Lawsuit</b>	<b>12/31/2021</b>	<b>Addition</b>	<b>Write-off</b>	<b>12/31/2022</b>
0000804-06.2020.5.10.0020 - FGTS Judicial Deposit on 11/27/2020	BRL 20,954.65	BRL 0.00	BRL 0.00	BRL 20,954.65
0000804-06.2020.5.10.0020 - FGTS Supplementary Deposit on 12/14/2020	BRL 73,339.48	BRL 0.00	BRL 0.00	BRL 73,339.48
<b>Total</b>	<b>BRL 94,294.13</b>	<b>BRL 0.00</b>	<b>BRL 0.00</b>	<b>BRL 94,294.13</b>

<b>Lawsuit</b>	<b>12/31/2022</b>	<b>Addition</b>	<b>Write-off</b>	<b>12/31/2023</b>
0000804-06.2020.5.10.0020 - FGTS Judicial Deposit on 11/27/2020	BRL 20,954.65	BRL 0.00	BRL 0.00	BRL 20,954.65
0000804-06.2020.5.10.0020 - FGTS Supplementary Deposit on 12/14/2020	BRL 73,339.48	BRL 0.00	BRL 0.00	BRL 73,339.48
<b>Total</b>	<b>BRL 94,294.13</b>	<b>BRL 0.00</b>	<b>BRL 0.00</b>	<b>BRL 94,294.13</b>

**19. Risk management**

In the normal course of its operations, the Entity is exposed to the following risks:

**19.1. Credit risk**

**a) Cash and cash equivalents**

The amounts recorded as cash and cash equivalents and financial investments are held in top-tier financial institutions with recognized market strength.

**b) Accounts receivable**

The Entity has a policy for analyzing the credit limits assigned to each lender and monitors the evolution of its receivables from these entities. The procedures adopted, together with the dilution of its revenues between various projects, mitigate the credit risk.

**19.2. Liquidity risk**

The Entity manages its cash and cash equivalents by establishing a strategic minimum amount of cash, based on the cash cycle of operations, as well as the minimum capital required to guarantee operating activities.

Management monitors ongoing forecasts of liquidity requirements to ensure that sufficient cash is available to meet operating needs.

**19.3. Capital management**

The Entity basically uses capital from project sponsors to finance its activities. Management monitors debt levels in relation to its cash generation capacity and capital structure.

**19.4. Risk with derivative instruments**

The Entity has not carried out any speculative transactions, whether in derivatives or any other risky assets. On December 31, 2023 and 2022, there were no asset or

liability balances hedged by derivative instruments or any other transactions.

### **19.5. Operational risk**

The Institute was created to work together with partner civil society organizations and social movements to discuss public policies and human rights. Because of its philanthropic nature, it relies on the support of financial backers to carry out its activities.

Management thus seeks to attract new lenders and follows the evolution of activities in Brazil, monitoring the segment closely.

### **20. Insurance coverage**

The Institute maintains insurance cover against fire, lightning, explosion and portable equipment in an amount deemed sufficient to cover any claims.

### **21. Subsequent events**

No subsequent events were identified that required adjustments and/or disclosures in the financial statements ended December 31, 2023.

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