

Régia Capital
Certificado de Recebíveis do Agronegócio
Tobasa

Legal Disclaimer

This material was produced by the Glasgow Financial Alliance for Net Zero (“GFANZ”) based on information provided by Régia Capital. For the avoidance of doubt, nothing express or implied in this document is intended to prescribe a specific course of action. This material does not create legal relations or legally enforceable obligations of any kind. Users of this material unilaterally determine whether, and the extent to which, they will adopt the potential course of action described herein.

The information presented in this material does not purport to be comprehensive and does not render any form of legal, tax, investment, accounting, financial, or other advice. This material is made available by GFANZ and has not been independently verified by any person. Nothing in this material constitutes an offer or a solicitation of an offer to buy or sell any securities or financial instruments and does not constitute investment advice or a recommendation by any person of an investment or divestment strategy or whether or not to “buy,” “sell,” or “hold” any security or other financial instrument.

This material is for informational purposes only and the information contained herein was prepared as of the date of publication. No representation, warranty, assurance, or undertaking (express or implied) is or will be made, and no responsibility or liability is or will be accepted by any member of GFANZ, its secretariat, or by any of their respective affiliates or any of their respective officers, employees, agents, or advisors including without limitation in relation to the adequacy, accuracy, completeness, or reasonableness of this material, or of any other information (whether written or oral), notice, or document supplied or otherwise made available to any interested party or its advisors in connection with this material.

Firm Background

Régia Capital was created through a strategic partnership between JGP, with over 27 years of market experience, and BB Asset, with more than 35 years and R\$ 1.7 trillion in assets under management (as of November 2024). Régia was created to be a platform designed to mobilize capital at scale toward sustainable solutions, linking financial performance with measurable environmental impact.

With more than R\$ 13 billion (US\$ 2.5 billion as of September 2025) in assets under management across 16 funds, Régia operates as a comprehensive sustainable investment platform covering credit, public equity, private equity, and thematic strategies such as blended finance and transition finance.

Its approach combines market discipline with accessibility and impact. Over 30,000 investors, including individuals, corporations, and public institutions, participate in the vehicles that invest in its funds, some of which have entry points as low as R\$ 100,00. On the deployment side, Régia supports emerging businesses and pre-competitive sectors through tailored financing and acceleration programs.

Régia is one of the few asset managers in the Global South that is a signatory to international coalitions dedicated to fight climate change and deforestation, such as IPDD, Climate Action 100+, FSDA, IFACC, the Finance for Biodiversity Pledge, and FAIRR, and is committed to eliminating deforestation, land conversion, and human rights violations linked to agricultural and forestry commodities by 2025.

Transition Finance Strategy

Régia Capital's transition finance strategy is built on the principle that impact and financial returns should progress together. The firm aims for 50 percent of its portfolio to be aligned with net zero by 2030 and full alignment by 2040, directing capital toward sectors that enable decarbonization and inclusive growth.

Guided by its proprietary **Theory of Change** (Figure 1), Régia identifies five strategic sectors in the economy transition: Biological and Regenerative, Energy, Infrastructure, Technological, and Geopolitical – with the Brazilian bioeconomy standing out as a key opportunity to combine environmental restoration and economic development.

Régia's financing approach channels capital to **real-economy projects that drive emissions reduction, resource efficiency, and nature-based solutions**, particularly in hard-to-abate sectors such as energy, agriculture, and transport. To enable these transitions, the firm combines credit structures, blended finance mechanisms, and private equity to mobilize capital at lower financing costs.

Each investment follows a structured **sustainability integration process** that includes exclusion screening and an internal assessment based on the materiality. This methodology identifies sector-specific risks and opportunities, evaluates transition readiness, and assigns ESG scores to inform investment decisions. Analyses are supported by tools such as the TNFD LEAP approach, ENCORE, Trase, and Forest500.

Sustainability is embedded in Régia's governance and culture. A dedicated Sustainability Analysis Team evaluates all investments through environmental and social criteria, while oversight is provided by the Sustainability Committee.

Régia's participation in initiatives including PRI, Climate Action 100+, FSDA, and IPDD further strengthens its stewardship and engagement practices, bringing continuous progress across its portfolio toward a just and credible transition.

Figure 1: Régia's Theory of Change

Our approach to systemic transformation	Results we expect to generate within a 3 to 6-year horizon		Objectives of systemic transformation (7 to 10 years)	Target groups	Economic Transition Objectives (10 years)
Strengthen Local Ecosystem to Support Green and Climate-Neutral Economy	The insertion of new industries and sustainable business models in the capital market	Accelerating new businesses in biodiverse landscape restoration, green community and infrastructure development, and energy transition	The competitiveness and protagonism of the Brazilian green economy market, particularly in infrastructure and sustainable chains	Economic, Social and Governmental Agents in the success of their climate transition plans and the incorporation of social, environmental and governance aspects into their institutional agendas	Implementation in Brazil of a Sustainable Economy aligned with the 1.5°C Climate Targets and composed of sustainable, resilient, socially and productively included and financially competitive businesses
Mobilize Local, National and International Capital at Scale	The just transition of established economic sectors to the new green economy	The implementation of new financial architectures capable of leveraging the scale of philanthropic and concessional capital and the impact of commercial capital	Compliance with the Paris Agreement, with social inclusion and promotion of human rights, preserving biodiversity and protecting indigenous peoples and local communities		
Develop and Share Financial Intelligence	Promote the articulation of financial capital with other cultural, social and natural capital in corporate climate governance	The establishment of ecosystems of low climate impact businesses, products and services, with full transparency and scientific due diligence	The integration of the Global South and the maturation of the Brazilian and international financial markets to the new demands of Stakeholder Capitalism		

Certificado de Recebíveis do Agronegócio Tobasa

Brazil – Agriculture

Transaction Overview

Type	Private Credit
FI Role	Asset Manager
Size	R\$ 36 million
Duration	5 and a half years
Expected / Defined Use of Proceeds	The borrower will allocate the resources exclusively to its agribusiness operations, including the collection and transport of babassu nuts, operating expenses for processing, capital investments in the production of activated carbon from babassu, and the modernization of its biofactory.

Company Overview

Tobasa Bioindustrial de Babaçu S.A. is a Brazilian bioindustrial company (Tobasa or the Company) that has pioneered the full utilization of the babassu coconut, a native palm fruit traditionally collected by agro-extractive communities. Instead of limiting use to the nut, which represents only about six percent of the fruit, Tobasa developed the technology to mechanize processing and transform the entire coconut into valuable products. One of the Company's flagship outputs is activated carbon, used in water filters and basic sanitation systems. In addition, babassu also supplies sectors such as hygiene, cleaning, agriculture, biofuels, chemistry, and cosmetics.

The Company sources coconuts from over 150,000 hectares of babassu palm forests and intercropped areas, where collection is carried out manually by community members known as *coletadores*. This system ensures that economic value is shared across the local chain while reinforcing sustainable forest use.

Tobasa's model demonstrates how industrial innovation can align with forest conservation. By creating markets for the whole use of the coconut, Tobasa reduces waste, avoids burning biomass – which is a common practice used to dispose of the coconut shell but releases greenhouse gases – and generates incentives to preserve babassu palms rather than clear them. In doing so, Tobasa strengthens rural livelihoods in regions with low human development indicators and promotes inclusive participation in value creation.

The Company's business activities directly contribute to decarbonization in multiple sectors. Its activated carbon products improve environmental performance in industries such as sanitation, chemicals, and energy, indirectly supporting Brazil's broader climate transition objectives.

Certificado de Recebíveis do Agronegócio Tobasa

Brazil – Agriculture

Financing Structure

The investment was structured through a **Certificado de Recebíveis do Agronegócio (CRA)**, a fixed-income security available to agricultural companies in Brazil. The issuance totaled R\$36 million. The structure includes personal guarantees, as well as real estate and machinery trust receipt. The CRA is held within [Régia's Bioeconomy Fund](#) (the Fund).

All assets invested by the Fund* are required to have their targets verified by an independent Second-Party-Opinion (SPO) (provided by the Fund). The SPO provider will verify the environmental integrity of the selected metrics, the robustness of the monitoring framework, and the credibility of Tobasa's sustainability performance throughout the duration of the financing.

These Indicators include:

- Number of hectares restored or positively impacted
- Number of families benefiting from payments for environmental services
- Number of educational activities promoting traditional knowledge
- Number of young participants in educational programs focused on preserving traditional knowledge; and
- Percentage reduction in operational waste

The case illustrates how Régia's transition finance approach works in practice. By channeling blended capital into companies with measurable and time-bound sustainability commitments, the approach reduces investment risk while supporting firms capable of accelerating the shift from traditional resource use to regenerative and low-emission production models.

**In 2026, the Fund will be releasing its first annual impact report.*

Financial and operational covenants

At the transaction level, the CRA issued by Tobasa includes financial and operational covenants to safeguard credit quality and ensure proper use of proceeds.

Tobasa must maintain a minimum liquidity ratio of 1.0x and a maximum Net Bank Debt to EBITDA ratio of 3.5x.

Breaches of monetary or socio-environmental obligations can trigger debt acceleration. The CRA also features a Step-Up Mechanism that raises the interest rate by 0.50 percent per year if sustainability targets are not met.

Certificado de Recebíveis do Agronegócio Tobasa

Brazil – Agriculture

Investment Thesis

1 The Tobasa finance structure was a blended finance vehicle designed to **mobilize capital for companies advancing sustainable production models**. By combining different layers of risk and return expectations, the Fund provides capital at a lower cost while maintaining market discipline and measurable impact outcomes.

2 Although Brazil does not yet have an official sustainable taxonomy, Régia applies an internal taxonomy* with defined environmental and social objectives. Tobasa fits within this framework, **meeting six of Régia's sustainable objectives**, which reflect themes such as climate mitigation, biodiversity protection, circular economy, and social inclusion. All investments follow the firm's policy that prohibits any activity causing significant harm to people or the environment.

3 Tobasa's operations **align with Régia's Theory of Change** by helping decarbonization and circularity across sectors such as chemicals, transportation, and biofuels. By transforming natural resources into low-emission industrial inputs, the Company contributes to Régia's mission of fostering a low-carbon and regenerative economy in Brazil.

*Refer to [Stewardship Report 2024, p. 20](#)

Credit investment approach

At Régia, the asset valuation process for credit investments is based on a comparative approach. This means that the attractiveness of a transaction is assessed in comparison with other opportunities available in the market, considering the risk, return, and expected impact of each investment.

The credit risk of each asset is summarized through an internal rating assigned by the Investment Committee, which incorporates both quantitative and qualitative analyses.

Furthermore, the experience of Régia in blended finance structures enables the firm to tailor financing to the specific characteristics of each asset and the socio-environmental impact needs of the projects. This results, for example, in customized amortization schedules, longer tenors, extended grace periods, and particularly reduced interest rates whenever the impact and risk profile justify it.

This hybrid approach, combining market discipline with impact-oriented flexibility, is central to Régia's credit investment strategy.

Key Success Factors

Impact-aligned compensation	The Bioeconomy Fund includes an impact-linked compensation mechanism that aligns financial performance with socio-environmental results. The performance fee, equivalent to 20 percent of returns above the benchmark, is adjusted by an impact multiplier ranging from 0.0x to 1.5x according to the verified impact score of the portfolio.
Alignment with Brazil's policy and regulatory priorities	<p>The investment is aligned with Brazil's policy and regulatory efforts to promote a bio-based economy. It supports the Ecological Transition Plan developed by the Ministry of Finance, which sets out priorities for decarbonization and includes a full chapter dedicated to the Bioeconomy. The chapter outlines seven strategic areas that range from conservation and ecosystem restoration to enhancing productivity in family agriculture. Régia's investment in Tobasa contributes to these goals by fostering the sustainable use of native biodiversity and channeling capital toward regenerative production models.</p> <p>Tobasa has also benefited from the <i>Programa de Valorização da Sociobiodiversidade e do Extrativismo (Sociobio mais)</i>, a federal initiative that guarantees minimum prices for key extractive products such as babassu, supporting income generation for local communities while promoting biodiversity conservation and reducing deforestation across Brazil.</p> <p>The Ecological Transition Plan also includes a Circular Economy chapter that encourages efficient use of natural resources. Tobasa's model of processing the entire babassu coconut into value-added products is aligned with this objective. In addition, the transaction supports the National Bioeconomy Strategy, which promotes sustainability through responsible use of biodiversity, innovation, social inclusion, economic competitiveness, and decarbonization.</p>
Data and disclosure	The Company does not currently measure and disclose its own GHG emissions given data and capacity limitations, but Régia measures and reports GHG emission across all its funds to ensure consistency and reliability. In Tobasa's case, where access to data is limited, Régia applies the PCAF (Partnership for Carbon Accounting Financials) methodology to estimate emissions. In addition, Régia also uses internal methodologies and proxies based on sector benchmarks to assess transition alignment and climate risk. This combined approach allows for a robust evaluation of the assets invested by the fund, exposure, and contribution to the low-carbon transition, even in the presence of data gaps.
Third-party verification and oversight	<p>Régia's relationship with Tobasa began in 2022 with the structuring of Brazil's first green CRA focused on bioeconomy. The first transaction with Tobasa in 2022, also a fixed-income security, received a SPO to ensure alignment with sustainable finance principles and the credibility of the Company's sustainability framework.</p> <p>The current transaction, issued in 2025 through a new CRA, did not receive an individual SPO for Tobasa. Instead, the SPO process will focus on verifying the maintenance and progress of the sustainability metrics established under this new operation, ensuring continuity and credibility in impact monitoring.</p> <p>Oversight continues under Régia's Bioeconomy Fund, which applies its proprietary ESG and Impact Methodology based on international standards such as SASB, TCFD, TNFD, and the World Economic Forum frameworks. The Fund's Impact Committee monitors performance annually through quantitative and qualitative indicators, ensuring that the investment remains transparent, verifiable, and consistent with best practices in sustainable finance and impact management.</p>
Engagement and influence	<p>The relationship between Régia and Tobasa began in 2022 through Régia's investment in Tobasa's first CRA issuance (the first green CRA in Brazil focused on the bioeconomy). The initial collaboration established a strong foundation of trust and alignment, which has continued to evolve and culminated in this new transaction.</p> <p>In the 2025 transaction the sustainability KPIs were co-developed with Tobasa, reflecting a shared commitment to robust impact measurement and strategic alignment. This proximity has provided Régia with a better understanding of the Company's risks and opportunities, enhancing the quality of due diligence, strengthening risk-sharing mechanisms, and enabling more efficient mobilization of capital toward credible transition outcomes.</p>

Lessons Learned

The Tobasa transaction offered valuable lessons on how active origination, close engagement, and disciplined structuring can unlock impact opportunities in the real economy.

One of the main insights was that achieving meaningful impact requires working proactively to identify and develop investment theses rather than waiting for opportunities to emerge. Being embedded in the ecosystem and maintaining a field presence were key to recognizing Tobasa's potential and transforming it into an impact transaction.

The experience also demonstrated that engagement with portfolio companies is essential to generate long-term value. Through direct collaboration, Régia gained a deeper understanding of Tobasa's operational and strategic context, which allowed for the design of tailored financial solutions aligned with the Company's stage of development and impact potential. This approach reinforced that strong relationships and continuous dialogue are fundamental to translating sustainability ambitions into concrete investment outcomes.

Stakeholder engagement

The Tobasa transaction underscored that collaboration is essential to success. From the credit and legal teams to ESG and impact specialists, all areas within Régia worked together with Tobasa throughout the structuring process. This cross-functional collaboration ensured that financial, operational, and impact goals were aligned from the outset, resulting in a transaction that balances strong credit fundamentals with meaningful sustainability outcomes. The experience confirmed that effective teamwork between internal teams and the Company fosters trust, transparency, and a shared commitment to delivering long-term value.

Scalability considerations

A key takeaway from the Tobasa experience is its replicability. The transaction's design allows it to be financed by both impact-oriented vehicles, which integrate annual environmental, social, and economic KPIs, and by conventional funds, thanks to its solid risk-return profile and collateral structure. These characteristics make the model adaptable across different sectors and geographies with similar credit and impact conditions.

Régia now plans to apply this framework in future transactions, demonstrating its potential to scale across multiple areas of the real economy and mobilize larger volumes of capital toward sustainable and inclusive growth.

Monitoring and reporting

The monitoring of the Tobasa transaction is guided by a strong governance framework that ensures financial discipline and measurable socio-environmental impact. Proceeds must be used exclusively for babassu-related activities, and the Company cannot change its corporate purpose or place unauthorized liens on pledged assets. Monetary defaults trigger automatic acceleration, while non-monetary breaches or violations of socio-environmental or anti-corruption laws may lead to acceleration subject to penalties.

In addition to these financial safeguards, the Bioeconomy Fund established a comprehensive impact monitoring system supported by six KPIs that cover the environmental, social, and economic dimensions of the investment. The KPIs were structured in alignment with the Fund's Theory of Change, which defines its strategic guidelines and priority metrics for measuring the impacts generated by its portfolio.

Each KPI was chosen based on its relevance to the Fund's strategic objectives and its ability to measure concrete and verifiable outcomes across the bioeconomy value chain. Tobasa is responsible for reporting annually on the results associated with each indicator, based on internal assessments that follow predefined measurement methodologies, as per the Fund's bylaws. These methodologies were technically reviewed and formally validated by the Fund's Impact Committee to ensure consistency, traceability, and alignment with the standards adopted by the manager. All indicators have baselines that were established prior to investment approval, determined from the initial performance assessment and impact projections developed during the due diligence phase.

A key lesson learned from the monitoring and reporting process was the importance of independent verification in maintaining accountability and trust. Continuous validation through an SPO helped ensure the credibility and consistency of impact data across the portfolio. This approach strengthened transparency among stakeholders and established a governance practice that can be applied to future transactions, keeping monitoring aligned with recognized standards of socio-environmental integrity.

