

EcoPlanet Bamboo Group

The United Nation's Global Compact Communication on Progress 2017



Message from the CEO

April 2017

Dear Stakeholders,

Over the past 6 years, EcoPlanet Bamboo Group has been transforming sustainability by offering Fortune 500 companies bamboo based solutions for an array of industries. We offer a secure and certified fiber that has been produced under our triple bottom-line business philosophy.

I am therefore pleased to confirm that EcoPlanet Bamboo Group reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In our first annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours in Sustainability,

A handwritten signature in blue ink, appearing to be "Troy Wiseman".

Troy Wiseman
CEO and Co-Founder, EcoPlanet Bamboo Group
Chicago, USA: COP for 2017

Table of Contents

About EcoPlanet Bamboo	3
Mission.....	3
Vision.....	3
Triple Bottom Line Philosophy	3
EcoPlanet Bamboo Plantations	4
Principle 1: Human Rights	5
Implementation	5
Measurement of Outcomes	5
Principle 2: Labor	6
Implementation	6
Measurement of Outcomes	7
Principle 3: Environment.....	9
Implementation	9
Measurement of Outcomes	9
Principle 4: Anti-Corruption	11
Implementation	11
Measurement of Outcomes	11
Appendix A: Social Policy	12
Appendix B: Environmental Policy	13
Appendix C: Anti-Corruption Policy	14

About EcoPlanet Bamboo

As the largest owner of commercial bamboo plantations globally, EcoPlanet Bamboo Group (EPB) is leading the industrialization of bamboo as a viable and environmentally attractive alternative fiber for timber manufacturing industries. The conversion of degraded land into certified bamboo plantations is coupled with innovative technology development to provide bamboo based solutions for products and markets that currently contribute to the deforestation of our world's remaining natural forests.

Mission

To enable business longevity and success for tomorrow's markets by providing a sustainable alternative fiber and bamboo based solutions to manufacturing industries that currently rely on natural forests for their raw resource.

Vision

We envision a world where millions of hectares of degraded land are restored into productive bamboo forests providing the raw resource to meet growing demand for consumer products, generating competitive and sustainable financial returns, while regenerating rural economies through the provision of secure and stable livelihoods, and reducing the deforestation pressure on our world's remaining natural forests.

Triple Bottom Line Philosophy



EcoPlanet Bamboo is dedicated to creating triple bottom line returns – economic, social, and environmental – through our bamboo plantations globally. Using strict land use criteria, our operations focus on the restoration of severely degraded land where deforestation continues to create negative land use change. Our plantations are located in some of the world's most remote areas with unprecedented levels of poverty, representing a high potential for positively impacting social change.

EcoPlanet Bamboo Plantations

36,010 Acres of Strategically Located Plantations

EcoPlanet Bamboo Central America

EcoPlanet Bamboo Central America owns and operates approximately 8,810 acres of commercial *Guadua aculeata* farms in the Region Autonomous of the Atlantic South (RAAS) of Nicaragua. Strategically located near an international port, EcoPlanet Bamboo Central America will supply certified raw and semi-processed bamboo to international markets.

EcoPlanet Bamboo West Africa

EcoPlanet Bamboo West Africa is currently developing a 26,000 acre bamboo plantation in the Ashanti Region of Ghana. EcoPlanet has worked with the Ghana Forestry Commission to incorporate sustainably managed bamboo into the country's long term forestry plan.

EcoPlanet Bamboo Southern Africa

EcoPlanet Bamboo Southern Africa is the first and only commercial bamboo plantation in South Africa. Approximately 1,200 acres certified bamboo are under cultivation in the Eastern Cape of South Africa, with a focus on naturalized *Bambusa balcooa*. EcoPlanet Bamboo Southern Africa supplies sustainably produced raw bamboo to a growing domestic market for carbonized and fiber products.



Area 1: Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

EcoPlanet Bamboo is committed to upholding the human rights of all involved, both directly and indirectly, in our operations. We fully support the Universal Declarations of Human Rights and the principles of this declaration form the foundation of our Environmental, Health and Safety (EHS) procedures.

EPB has an adaptive management policy and will continue to enhance its policies and procedures as needed to incorporate the Global Compact.

Implementation

EPB has developed an integrated management system that includes EHS procedures, which form the minimum requirements that all operations must comply with to ensure that our strict social and environmental policies are carried out. Our EHS procedures are in line with both the IFC's Performance Standards as well as the Forest Stewardship Council requirements and ensure comprehensive measures are taken to prevent human rights violations:

- There is a documented grievance procedure that mandates all staff and stakeholders have the ability to raise complaints and that any complaint, grievance or dispute must be dealt with swiftly and in line with company culture. The policy includes the use of suggestion boxes, representatives and emails / phone calls as a means for complaints to be received by the company. This procedure is regularly reviewed with staff and signs posted in accessible locations.
- Regular stakeholder communications and consultations take place to convey company objectives and policies as well as give stakeholders a chance to raise questions or concerns. Minutes of these meetings are on file.
- Whether certified or not, EPB requires all operations to comply with the Forest Stewardship Council (FSC) principles and criteria, which find violation of human rights unacceptable. FSC also require compliance with international conventions.
- Human Resource policies clearly state that EPB is an equal opportunity employer. Procedures are provided to ensure non-discriminatory, fair labor practices as well as safe working environments.
- Suppliers and contractors are also required to comply with the company's EHS procedures. Non-compliance would mean termination of the relationship.

Measurement of Outcomes

General Managers are responsible for ensuring their operations comply with all EPB EHS Procedures and thus Human Right Standards, which are verified through external audits as well as reviewed by the corporate office. There were no incidents of human rights related grievances or violations during the reporting period.

Area 2: Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

All EcoPlanet Bamboo operations comply with the strictest labor and health & safety standards, including compliance with the ILO. All operations must comply with local legislation but if international standards are stricter then international standards will be assumed. Labor rights include:

- Freedom of Association
- Collective Bargaining
- Zero-Tolerance of Forced Labor or Child Labor
- Elimination of Employment Discrimination

EPB has in place EHS procedures as well as a Social Impact Policy, see appendix A, which make labor rights a fundamental part of its operations. All staff receive contracts with their rights and responsibilities and their compensation and benefits clearly stated. Management also partake in regular assessments of health & safety risks and EPB is dedicated to continuing to innovate new methods and standards for safety.

Implementation

All staff undertake an induction during their first days of employment and annually thereafter. The national and international labor legislation is transparently explained to staff. They also receive job-specific training, which focuses on safe procedures to effectively carry out their tasks. All inductions and trainings are recorded and placed in staff human resource files.

Staff also have mechanisms to report to supervisors, managers or anonymously of any labor concerns or health & safety issues they may have. Staff have elected representatives who share concerns on behalf of a fellow employee. All issues are dealt with by management and recorded and filed. There are additional appeal procedures should the outcome not satisfy the complainant.

Managers are required to regularly review health & safety risks. Should an incident occur, they are recorded, reported to the corporate office and mitigation measures taken to ensure a similar accident does not happen again.

All operations have Human Resource policies, which comply with EPB EHS procedures as well as country specific and ILO requirements. These policies are freely available to employees and were established with local human resource professionals to ensure they are legally compliant with local laws.

Systems are put in place to ensure accurate accounting for payroll and staff productivity. EPB also aims to create systems that have secondary benefits for our staff. For instance, EcoPlanet Bamboo Central America is using Working Day Suite, which tracks tasks of field employees. It is a digital system so a secondary benefit is skills transfer as these employees from rural communities learn to use digital, GPS technology.

Measurement of Outcomes

EcoPlanet Bamboo staff are better informed of their rights than most laborers in the areas of our operations. Whether they are temporary or permanent staff, they all receive the same level of induction and thus labor rights training. EPB has found this knowledge serves them later in their careers and empowers them to stand up for their rights.

Plantations that undergo certification audits are reviewed for compliance of worker's rights, which includes compliance with ILO conventions, interviews with the workers and review of human resource documents and staff contracts. EPB plantations all had clean audits in 2016 with no outstanding non-conformities.

EPB corporate office also regularly reviews in-country operations to ensure compliance. Any non-compliance would mean issuance with a corrective action request to be corrected within 4 weeks.

EcoPlanet Bamboo has hundreds of employees worldwide. Our employee make-up consists of 26% women. EPB aims to employ local with 98% local staff and the remaining specialist expats who focus on skills development. During the COP period, there was a 44% reduction in health and safety incidents compared to the previous period.

In the last year staff also undertook trainings such as:

- Reading & Writing
- Labor Relations
- First Aid Training
- Fire Fighting
- Health & Safety for Managers
- Chainsaw Operations

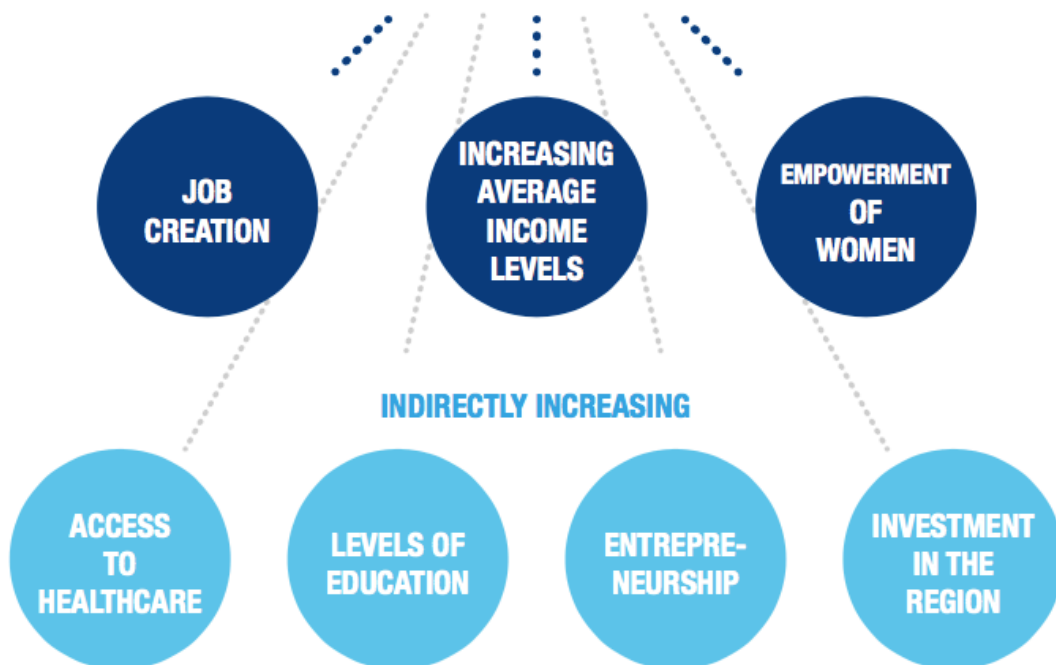


One of the most rewarding benefits is to see the social impact spread beyond our workforce, as entrepreneurial and business orientated rural society develops. The Gomez family is an example of such entrepreneurship. Previously limited to making a handful of raincoats sewn by hand each year, father Arturo Gomez saw an opportunity in the increased activity around EcoPlanet Bamboo's 2,500 acre Rio Kama farm. He approached the company with a proposition to sell branded raincoats for employees. The El Rama region is a tropical one, and heavy rainfall is frequent and rarely halts daily activity.

Now, 12 months later, Arturo and his son Lenin employ a team of 20-25 people and are in the process of installing a small factory to industrialize their operations that will enable them to provide raincoats to farms across the region. Arturo has reinvested his profits into other business developments, including inexpensive mechanisms for providing his community access to clean water.



**ECOPLANET BAMBOO DEVELOPMENTS
CONTRIBUTE DIRECTLY TO:**



Area 3: Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

EcoPlanet Bamboo is committed to utilizing only degraded land and its framework of sustainability for the development of commercial bamboo plantations. From its inception, EPB has held strong environmental principles that are weaved into everyday operations. All stakeholder, managers and staff are aware and regularly trained on the company's environmental policy and EHS procedures, with the aim to foster stewards of the environment. See Appendix B for the Environmental Policy.

Implementation

EPB's decision to plant bamboo was largely due to its green credentials. When bamboo is planted on degraded land and managed under EPB's framework of sustainability, its benefits are vast and include:

- It grows rapidly and, if managed properly, this rapid growth makes it the most sustainable form of biomass on the planet.
- Its extensive root system breaks up compacted soils.
- Certain species can grow in depleted soils with their heavy leaf fall creating dense layers of organic humus and restoring degraded soils.
- It contributes to climate change mitigation, removing up to 800 tons of CO₂ / hectare / year.

EPB's Central American plantations have been validated and verified under the VSC through methodologies to monitor, quantify and report on the sequestration and storage of atmospheric carbon dioxide by bamboo.

EPB's EHS procedures provide operations with guidelines for natural resource management and reporting. This includes illegal activity monitoring (i.e. hunting, unauthorized harvesting), destruction of natural forests, waste and operation specific impacts. It also provides guidelines for best practice environmental management. During the due diligence phase of projects, environmental impact assessments are carried out and mitigation measures identified. These impacts are regularly monitored and reported on.

Measurement of Outcomes

EPB has a total reforested area of 9,120 acres of bamboo with 730 acres added in 2016.

EPB is working on improving environmental education. At the plantation level, EPB holds environmental awareness activities and trainings with staff and stakeholders. In

the last year, EPB's Kowie Bamboo Farm managers held 4 environmental awareness toolbox talks targeting various issues from the importance of biodiversity to keeping a clean environment. At a national level, EPBG CEO and Earth Day Network board member, Troy Wiseman, is working with the Government of Nicaragua to make environmental education mainstream in Nicaragua.

EPB continues to be active in international policy with Chief Operating Officer (COO) and Co-Founder, Camille Rebelo, representing the private sector in the Global Restoration Council. The Council aims to harness the collective wisdom, influence and energy of its members to catalyze and sustain a global movement for restoration. The Council is a voluntary, non-departmental entity supported by the World Resources Institute on behalf of, and as a contribution to, the Global Partnership for Forest Landscape Restoration (GPFLR) and in support of other organizations that are actively engaged in restoration activities.

EPB's plantations have all been established on degraded lands from degraded forests to degraded agricultural land. Compacted and nutrient depleted soils are common at establishment. Many sites were once forested but turned into remnant forest patches due to unsustainable human activities. The planting of bamboo has once again returned the forest canopy. See before and after image below. Due to bamboo's selective harvesting of certain culms per clump, the canopy is permanent once established, creating a sustainable forest habitat and increasing biodiversity.



Area 4: Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

EcoPlanet Bamboo has a zero-tolerance policy for corruption. The policy states that “EcoPlanet Bamboo is a transparent and morally sound company. Bribery, extortion, fraud, collusion and any other corrupt behaviors are prohibited in any operation conducted by the company or any individual within the company.” The full policy can be found in Appendix C.

Implementation

All operations are required to post the signed policy in accessible locations for staff and visitors to see. The staff induction process includes a review of all EPB policies, including the Anti-Corruption Policy. Staff must sign the induction record, which is placed in their Human Resource files.

Staff, visitors and stakeholders are made aware of the company’s grievance procedure through inductions, stakeholder events as well as signs and leaflets. Any concerns about corrupt behavior can be reported through these channels and are dealt with swiftly. Whistleblowers are protected.

The company is committed to full compliance with the laws of the countries in which it operates. Extensive research on the legal requirements of an area of operations is conducted during our due diligence phase. Permits and licensing are then carried out and all necessary approvals filed.

This compliance continues into the operational phases with annual review of legislation changes. Any changes are recorded and necessary action taken to ensure compliance. These actions greatly reduce the risk of corrupt behavior and ensures managers understand the laws under which they must lawfully operate.

Measurement of Outcomes

In-country operations are monitored for compliance by the corporate office as well as by external auditors. EcoPlanet Bamboo Central America and EcoPlanet Bamboo Southern Africa’s bamboo plantations are both certified, which requires compliance with domestic laws and international treaties.

EPBs integrated management systems require all operations to regularly report on operational and financial information, which provides sound checks and balances. This data is translated to tables and graphs, which allow managers as well as the COO and CEO to see any potential irregularities. There have been no complaints reported during this period.

Furthermore, EPB has not been involved in any legal cases, rulings or other events related to corruption or bribery.

Appendix A: Social Policy



ECOPLANET BAMBOO GROUP

SOCIAL IMPACT POLICY

EcoPlanet Bamboo aims to catalyze positive socio-economic development in the Company's areas of operations. EcoPlanet Bamboo's mission is to show that business, through the concept of conscious capitalism, can, both directly and indirectly have long term social impact.

To achieve this EcoPlanet Bamboo is committed to:

- Develop bamboo plantations and associated manufacturing operations in rural areas that suffer from high unemployment with few opportunities for economic development.
- Carry out socio-economic baseline studies in order to identify the current status of key development variables, and enable the quantification and monitoring of such variables over time.
- Achieve Forest Stewardship Council certification for the external verification of such impact.
- Commit to preferentially hire local residents from the communities and municipalities closest to each Company site of operation.
- Commit to ensuring that equal opportunity exists for employment, regardless of gender, religion, physical/mentally disabled, or political inclination.
- Commit to empowering women in all operations through the provision of equal opportunities.
- Ensure that all laborers are paid through legitimate sources, thereby ensuring each individual is recognized by local and central governments, and therefore eligible for social security (if applicable).
- Provide training and education opportunities for all employees and ensure that promotion opportunities exist for qualified individuals.
- Apply Company procedures for all employees and stakeholders to express views, concerns or issues. All such issues raised will be dealt with by the Company on a case by case basis until resolved satisfactorily.

Troy Wiseman, CEO

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Appendix B: Environmental Policy



ECOPLANET BAMBOO GROUP

ENVIRONMENTAL POLICY

EcoPlanet Bamboo aims to become a global leader in the (1) reforestation of degraded land in to productive commercial bamboo plantations, and (2) the associated processing and manufacturing of this bamboo in to products that represent a sustainable alternative to timber. The Company is committed to follow the best accepted environmental practices with regards to all activities, and all activities of its subsidiary companies.

To achieve this EcoPlanet Bamboo is committed to:

- Conduct all Company activities in an environmentally responsible way through compliance with all relevant laws, regulations and standards.
- Commit to sustainable forest management practices and to acquire Forest Stewardship Council certification for all plantations, or where available equivalent bamboo certification.
- Minimize impacts and mitigate potential negative risks to any ecological aspect of plantation development and associated subsidiaries.
- Maximize biodiversity in all plantations, and where necessary conserve existing biodiversity through the maintenance of high conservation value forests on any purchased or leased land.
- Promote the principles of reduce, reuse and recycle, to minimize waste and maintain best practices for waste management.
- Minimize and monitor the use of chemicals, using only those accepted by sustainability standards, and minimize their impacts on the environment.
- Ensure that all management and staff understand the implications of this policy and their associated environmental responsibilities.
- Adhere to adaptive management under a changing global context for best available environmental practices.

Troy Wiseman, CEO

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Appendix C: Anti-Corruption Policy



ECOPLANET BAMBOO GROUP

ANTI-CORRUPTION POLICY

EcoPlanet Bamboo is a transparent and morally sound company. Bribery, extortion, fraud, collusion and any other corrupt behaviors are prohibited in any operation conducted by the Company or any individual within the Company.

EcoPlanet Bamboo is committed to undertake the below measures in order to enhance the rule of law and eradicate corruption:

Taxation

- All property is accurately recorded and property taxes are paid according to appropriate governments and/or regional offices
- Income tax returns are filed within every jurisdiction as required
- Internal audits conducted starting from the end of year one

Employment

- All employees are paid at or above the minimum wage in the country of operations
- All employees are provided with social security and taxed accordingly
- Working conditions are in accordance to Country Labor Laws

Adhere to Government Policies

- Permits and licensing are carried out through proper legal procedures
- All documents are filed correctly
- Due diligence is carried out by all partners and third parties in contact with government officials

EcoPlanet Bamboo has a full time Quality Control Manager who will carry out sporadic and unannounced checks across all operations, reporting directly to the CEO.

Troy Wiseman, CEO

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