

Period covered by your Communication on Progress (COP)

From: May 2018 To: May 2019

Statement of continued support by the Co-Chief Executive Officers

To our stakeholders:

I am pleased to confirm that Treedom srl supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption.

Year after year we have been seriously committed to making the Global Compact and its principles part of the strategy, culture and day-to.-day operations of our company, and the engaging in collaborative projects with advance the broader development goals of the United Nations, particularly the Millennium Development Goals.

As the previous years, Treedom srl will make a clear statement of this commitment to our stakeholders and the general public and as in 2018, we plan to include this statement in the next sustainable balance sheet to further increase the visibility of the ten principles of the Global Compact.

We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy.

File for

Sincerely yours,

Federico Garcea

CEO Treedom S.r.l.



Human Rights

Assessment, policy and goals

Description of the relevance of human rights for the company (i.e. human rights risk assessment).

Description of policies, public commitments and company goals on Human Rights.

All the Treedom activities, both related to its direct employees or external partners are based on the respect of human rights recognised by the Universal Declaration of Human Rights and Charter of fundamental rights of the European Union.

For this reason, our external activities have been developed so far only with NGOs that can prove to respect and promote human rights principles. Here's an updated list of our partners:

- ASIA in Nepal,
- WIRIO, Sustainable Global Gardens, Africa IPM Alliance, Health and Water Foundation in Kenya,
- Libera Terra Cooperativa Beppe Montana, Cooperativa Sociale Resistenza
 Anticamorra Napoli, Arese Parco delle Groane, Municipality of Scorzè in Italy
- AVSI in Haiti,
- S.A.F.E., <u>IRAD Institute of Agricultural Research for Development</u> in Cameroon,
- COOPI in Malawi,
- COSPE in Senegal,
- Bambini nel deserto in Burkina Faso,
- ACDI in Argentina,
- <u>Tsiryparma</u> in Madagascar,
- Environomica in Colombia.

Here a list of the programmes that these NGOs implement:

- protection of human rights
- promotion of women's rights and equal opportunities
- support for refugee populations and victims of war
- antiracism training and support of equal-opportunity policies for citizens from
- ethnic minorities



right to education and intercultural awareness

Implementation

Description of concrete actions to implement Human Rights policies, address Human

Rights risks and respond to Human Rights violations.

Treedom has drafted in 2016 an important corporate internal code related to the implementation of human rights in all its operations. Based on this document we choose all the NGOs we collaborate with or we establish new business relations. To better ensure the compliance of the new partners with our human rights code, Treedom asks possible partners to fill a questionnaire in which they inform the organization about their human rights commitment.

Furthermore, Treedom promotes human rights within the activities of our business partners and clients by advising them on human rights issues and measures to respect, protect and promote human rights.

https://www.treedom.net/pdf/methodology/treedom-methodology-01-ethical-code-en.pdf

Measurement of outcomes

Description of how the company monitors and evaluates performance.

So far, Treedom has not received any complaint from employees, business partners, clients or farmers in relation to human rights violations.

Because of the scope of our activities and the limited number of employees, an external audit on human rights performance is not required.



Labour

Assessment, policy and goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities). Description of written policies, public commitments and company goals on labour rights.

Every employee in Treedom knows the importance that labour rights have for the company. In fact, every employee received a copy of the corporate labour rights code drafted by the company board which shows the commitments of Treedom toward the defence of their rights on the job place. Treedom conducts business in accordance with the Italian and US law, including nondiscrimination and equal opportunities, freedom of association and the right to collective bargaining, workplace health and safety, as well employment conditions and work (wages, working hours, leave, benefits etc).

In addition, Treedom develops its projects in the South of the world respecting the labour rights as indicated in the ILO Core Conventions, rejecting child labour and employment discrimination.

Treedom adheres to the Global Compact Labour principles for achieving its goals.

Implementation

Description of concrete actions taken by the company to implement labour policies, address labour risks and respond to labour violations.

As already mentioned, Treedom drafted a corporate labour rights code which shows the commitments of Treedom toward the defence of their rights on the job place.

Treedom CEO discusses monthly with each employee regarding his/her work conditions and satisfaction, collecting any useful comment to improve the work environment.



Furthermore, Treedom's staff holds weekly meetings to discuss its activities and verifies the state of its initiatives and new ideas are proposed during the meetings.

Internally, the health and safety of all employees is ensured in accordance with the Italian and United States law requirements. Externally, in our projects across the world, Treedom operates through NGOs that involve local communities respecting human and labour rights and giving them a fair income.

According to the Italian law, each employee before starting its activities has to follow a training organized by external agencies recognized by public authorities and national labour unions on the safety in the workplace and labour law and rights.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Treedom's team is now composed of 21 employees with an average age of 32 years and it is composed of about 50% women.

Regularly, Treedom asks its employees to fill a labour rights report in order to understand their satisfaction with their job place.

Treedom also supervises how its partners carry on the projects and if there are any irregularities regarding the respect of communities' rights.

Treedom has received no grievances or complaints from employees or others in relation to labour rights violations.

Because of the scope of our activities and the limited number of employees, an external audit on labour rights performance is not required.



Environment

Assessment, policy and goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and

company goals on environmental protection.

Environmental protection is the reason why in 2010 Treedom was created. In fact, Treedom promotes agroforestry projects, with the goal to produce multiple environmental benefits. For this reason, environmental issues are at the core of every Treedom's action.

We have an environmental policy based on the principles of green procurement and energy savings.

The online CO2 calculator, by which people can calculate their emissions, is based on reference protocols and international standards, as:

- UNI ISO 14064-1
- The Greenhouse gas Protocol (World Research Institute & World Business Council for Sustainable Development).

Implementation

Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.

The annual CO2 emissions of Treedom are calculated by the same methodology used to calculate the carbon footprint of its customers.

Appropriate bins, provided by the city municipality for the collection of paper, plastic, glass, cans are present in our office in order to reduce the environmental impact of our activities.

Furthermore, we also adopt the following measures:

- the usage of only recycled paper in the office;
- all members of the staff go to the office by bicycle;
- recycling 100% of the waste we produce;
- Treedom's communication material provided to clients is made by recycled paper;
- using energy- saving lights.

Finally, we encourage our team to commute by bike or public transports.



Measurement of outcomes

Description of how the company monitors and evaluates environmental performance.

We annually consume:

- 50 reams of 100% recycled paper (A4 size);
- electricity (6000 kw/h).

We annually produce 110kg of waste, all of which flows into recycling.

As each year, we plant the proper number of trees necessary to offset our carbon footprint



Anti-Corruption

Assessment, policy and goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk assessment).

Description of policies, public commitments and company goals on anti-corruption.

Transparency is one of the core Treedom's values. Treedom repudiates any form of corruption and consequently, it is committed to the Italian and US anti-corruption laws. The organization does not engage with business partners and clients with a track record of corruption.

Implementation

Description of concrete actions to implement anti-corruption policies, address anticorruption

risks and respond to incidents.

As reported in the previous reports, Treedom organizes every year an anti-Corruption Training Course to enable its employees to become better acquainted with the intertwined manner in which corruption manifests itself, and the social complexities surrounding it.

To avoid a conflict of interest, the appearance of a conflict of interest, or the need for our employees to examine the ethics of acceptance, our company, and its employees do not accept gifts from vendors, suppliers, customers, potential employees, potential vendors or suppliers, or any other individual or organization, under any circumstances.

Finally, the organization only accepts assignments which are within the range of our expertise and experience and are compatible with our vision and mission.

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

There have been no cases of corruption over the course of the Treedom's existence. According to Italian law, we provide national authorities with our financial documentation and we respect the National and International procedures and law for the obtainment of grants and public funds



Relation with SDGs

The idea of the business model was born in 2010 the founders, Federico Garcea and Tommaso Speroni, experience in rural development projects and from their desire to reverse a recent dangerous trend, common to many indigenous populations of Southern hemisphere countries: "selling out" the forest to wood and agricultural industries. Therefore, Treedom went against the tide from its inception and was founded on the idea to incentivize local populations not to cut down trees but to plant them and take care of them.

Treedom is the only platform worldwide that allows companies and consumers to plant trees online, directly financing farmers around the world. In fact, Treedom thanks to its web platform ww.treedom.net sells a tree planting service, by directly financing cooperatives of farmers who then plant the trees and manage their upkeep. Since it was founded in Florence in 2010, more than 600,000 trees have been planted in Africa, Latin America, Asia, and Italy.

In fact, with Treedom users finance farmers who plant trees, supporting their work in the early years, when the trees are not yet productive. The farmers receive know-how and technical support from Treedom for tree planting and management. Trees are photographed, geolocated and monitored by Treedom over time.

The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations Development Program in 2015 to end poverty, protect the planet and ensure prosperity for all in the context of a new sustainable development agenda. Treedom's tree planting activities in Asia, Africa, South America, and Italy make a significant contribution to tackling a total of 10 challenges to secure a sustainable future.

- 1. No poverty: the fruits generated by the trees are properties of the beneficiaries farmers of the projects, that can sell them and generate an extra income for their families. Treedom financing the startup of agroforestry projects gives opportunities to farmers to build or improve their own business, enhancing their economic status.
- 2. Zero hunger: the fruits generated by the trees are properties of the farmers that can use them for their alimentation. Agroforestry system provides a wider variety of products compared to the monoculture (eg corn) that were expanding in many developing countries, this approach will not only improve the quantity of the food, but also the quality of the nutrients in farmers and rural communities diets.

Moreover, with the provided training rural communities will be able to adopt agroforestry system and harvesting technique (e. grafting) also in another context, expanding their abilities to provide food.



- 4. Quality education: Treedom through its training activities provide education on environmental issues, sustainable development, agroforestry technique and ICT skills (eg. on the use of GPS system) to rural communities regardless of the level of education, gender and age. A community better acknowledge the environment, climate change and sustainable development is a guarantee for the quality of the project. Moreover, the gained skills theoretical and practical are useful for the personal and professional development of each beneficiary beyond their function in Treedom projects.
- 5. Gender equality: Treedom in its project promote the participation of women in all phases selecting them as the first target of beneficiaries. In this way, Treedom provides women with the right resources to start their own agroforestry activities (training and trees) and promote their role as entrepreneurs and leaders inside their communities.
- 8. Decent work and economic growth: Treedom allows small farmers and rural cooperatives to start agroforestry activities at no cost, this allows them, on the one hand, to expand their activities and improve their income and quality of life. On the other hand, it is an incentive to work in their own lands and communities and to be able to carry out their activities as farmers with dignity and profit.
- 10. Reduced inequalities: through its activities Treedoms involve local communities both in as final beneficiaries as local manager and technician of the projects, this allows to bring economic wealth, training, job opportunities also in less developed areas. Moreover, Treedom projects are open equally to all gender, age, education level and social status.

Finally financing the tree planting activities of small farmers cooperatives or local Ngo it copes the existing bias for them to access to credit/financial institutions allowing small farmer equal access to finance for agricultural activities.

With this approach, Treedoms contribute to reducing inequalities inside the communities, between small rural communities and more developed areas within the countries.

12. Responsible consumption and production: On the one hand, Treedom stimulates consumers and companies that purchase trees to buy a virtual product that has a real benefit for rural communities, by promoting sustainable consumption patterns; on the other hand, it encourages small local farmers to apply agroforestry production systems that are more eco-sustainable and have less impact on the environment.



- 13. Climate action: the activities performed have led to the planting of 614.628 trees with 36.154 farmers in 12 countries. This has lead to the offset of 203.628.375 Kg of CO2. In Kenya have been planted so far, 114.691 trees with 6.745 farmers.
- 15. Life on land: the activities carried out allow the improvement of the ecosystems in which we operate. In fact, our project areas must benefit overall from the initiatives we implement. The selection of the species to be planted is determined according to the needs expressed by the local communities, respecting local biodiversity. Native plant species are clearly preferred, so as not to pose a threat to the local flora and fauna.
- 17. Partnership for the goals: through its work Treedom brings together different actors, under a single objective which is that of sustainable economic, environmental and social development.

In the western countries, Treedom connects with individuals and companies to involve them in the purchase of the tree to realize a sustainable purchase and offset their own CO2 emissions. The connection with companies is particularly important because they use Treedom to carry out social corporate responsibility activities for their customers and employees.

In the project countries Treedom to perform its activities build partnerships with local cooperatives of farmers, local and international NGOs working with rural communities, local authorities and public bodies in order to asses real local needs and build efficient activities on the field with the involvement of the whole communities at all levels.

In this path, Treedom is a connector among different actors: individuals, business, rural communities, no profit sector, local authorities and public bodies.

All the information about our social, environmental, and sustainability standards are aviable at this link www.treedom.net/pdf/methodology/treedom-methodology-02-treedom-standard-en.pdf

Up to date, we have planted 614.628 trees in 22 agroforestry projects (12 countries) involving 36.154 farmers. We now have 85.120 consumers adopting trees to offset CO2 emissions. 843 companies have built forests with Treedom to reach goals in CSR, marketing and communication.



A main environmental contribution are trees absorption of CO2, considering 614.628 planted can be estimated at 203.628.375 kg, and the mitigation of phenomena such as loss of habitat, desertification, soil deterioration.

Socially, thousands of farmers in developing countries can plant fruit trees, guaranteeing food security and extra income. The SROI analysis of Kisii project (Kenya) has stressed out how the social value that each tree brings can be estimated in 8\$.

Next to the agroforestry activities Treedom, according to the locals needs and aspiration, foster micro-business project related to fruit process, the construction of small infrastructure (eg. greenhouse, water cistern) and specific training.