



Communication on Progress (COP)

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WE SUPPORT



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The Green Branch, The Netherlands, COP for 2021

To our stakeholders:

"I am pleased and proud to confirm that The Green Branch reaffirms its support of the Ten principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

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

Sincerely yours,

Jacob Hietink
Co-Founder / Director



Table of Contents

HUMAN RIGHT PRINCIPLES	4
ACTIONS	4
MEASUREMENTS.....	4
LABOUR PRINCIPLES	6
ACTIONS	6
MEASUREMENTS.....	6
ENVIRONMENT PRINCIPLES	7
ACTIONS	7
MEASUREMENTS.....	8
ANTI-CORRUPTION PRINCIPLES	9
ACTIONS	9
MEASUREMENTS.....	9
CONTRIBUTION TOWARDS SDGS	10
ACTIONS	10
MEASUREMENTS.....	11



HUMAN RIGHT PRINCIPLES

1. Policies and Actions

The Green Branch has taken the following actions towards Human Rights:

Code of Ethics: Based on our commitments, The Green Branch has set up a Code of Ethics which is shared with our employees and most important stakeholders. The Code of Ethics shapes the core shared values and principles to assure responsible behaviour in respect to our stakeholders and to maintain our credibility and image.

Harassment and Bullying Policy: The Green Branch has a written policy against harassment and bullying. This document is shared with all relevant stakeholders and is strictly followed.

Training: A training sessions has been conducted to the local workers in Brazil to raise awareness on human rights and safety.

Work facilities: Both in Brazil and in The Netherlands we provide our workers and employees safe, suitable and sanitary work facilities. We provided clean streaming water facilities and sanitary on each project site and location.

Protection of harassment: We do not accept abuse, harassment or threats on our working facilities. We have strict rules to protect our workers from workplace harassment.

Freedom of Speech: Everyone working for The Green Branch is free to speak and submit complaints. Everybody is treated with dignity and equality, in the same way.

Health: During COVID-19, The Green Branch makes sure that all the local workers are in safe health conditions and do covid-tests before entering project site, eliminating covid spread and their side-effects that threaten human life and the health of the workers and employees during the implementation of the projects.

2. Measurements

The Green Branch will evaluate every partner and supplier in our projects. The project manager will document any contravention of human rights during our reforestation project implementation. In order to establish good partnerships we set up so called 'location hubs'. Every hub is led by a region manager who evaluates the projects and the suppliers. The Green Branch has established long



term and committed partners. The region manager is the contact on the ground to ensure cooperation and alignment with the local workers. If any local worker, employee or other partner shows any form of harassment will be terminated.

The projects of last year were visited by senior management almost daily. They checked the working conditions and facilities cleanliness, suitability, and safety. Upcoming year when the projects are too large in scale, the hub or project manager will do sporadic checks on a regular basis.



LABOUR PRINCIPLES

1. Policies and Actions

The Green Branch has taken the following actions towards Labour:

Safe working conditions: The local workers are obliged to use sun hats, snake protectors and gloves while planting the trees and seeds. We assess labour related risks and include

Wage: All workers, landowners and employees have a wage that complies with the minimum wage standards.

Disciplinary & procedure: The Green Branch requires good standards of discipline from its employees, together with satisfactory standards of work. The disciplinary procedure is to ensure that any concerns are handled in a fair, consistent and timely manner, with the intention of bringing about an improvement, and to protect the proper operation of the The Green Branch's business and the health and safety of its employees.

2. Measurements

The principles and policies regarding Labour will be reviewed each year. Any amendments will be notified to employees in writing, following consultation and/or notice where appropriate.

The Green Branch conducts stakeholder analysis and interviews with employees and stakeholders to improve employee satisfaction and receive feedback on labour conditions. We use parameters that indicate changes in the social and economic well-being of community groups directly affected by the project, such as: number of community members who had improved knowledge and techniques as a result of the project activities and employee satisfaction rate.

The Green Branch team is a dedicated group of people with different backgrounds, nationalities, ages and genders. Demographics of management and employees (both Brazil as The Netherlands) is evaluated each year. As we are a small but fast growing team, we monitor the demographics and make sure we are an inclusive team.

Next planting seasons we will conduct employee and workers satisfaction surveys. All interviewees of last seasons were 100% positive and satisfied by the working conditions and facilities of The Green Branch.



ENVIRONMENT

1. Policies and Actions

The Green Branch has taken the following actions towards Environment:

The nature of our operations is to improve ecological and social impact. reforest degraded land, increasing biodiversity, supporting the local community, storing carbon in the most efficient way, and contributing towards the Sustainable Development Goals. Therefore, we have a positive environmental impact of our operations.

Environmental product benefits: Conserves or preserves the well-being of land and/or animals (land restoration and reforestation projects). Contributes to climate change mitigation through reforestation as a nature-based solution.

Environmentally Certified Products: Our products sold have a product certification that assesses the environmental impacts of the product. We certify our product (carbon credits) via the Verified Carbon Standard and Climate Community Biodiversity of VERRA.

Local: The Green Branch sources its seeds, seedlings, machinery and work force locally, we partner with local suppliers. As we increase the local economy and employment opportunities, we are a central actor in the local community. We create environmental awareness among the local community and stakeholders. In turn, our activities stimulate the local restoration economy that can scale up and have wider positive impacts on biodiversity conservation in the region.

The Green Branch has an environmental management system covering waste generation, energy usage, water usage, and carbon emissions that includes an assessment undertaken of the environmental impact of our organization's business activities. In addition, our planting techniques and reforestation management procedures are designed to have the minimum possible impact on the environment during project implementation (e.g. minimise habitat disturbance, minimum soil tillage, use of native species, planting during wet seasons to not impact local water resources, no use of agro-chemical inputs etc.).

The Green Branch conducts every year a total Carbon Footprint Assessment. This way, we measure our impact on the environment. As we set up reforestation projects with CO2 compensation, it is only logical that we compensate our irreducible footprint as well.



Our Code of Ethics requires our employees to adhere to environmental principles, like going by train or bike instead of by car.

Organic fertilizers: We do not use any harmful, chemical and dangerous substances. The used fertilizers are 100% organic and not harmful to the workers and environment.

In the upcoming year our environmental targets are to reforest around 9.000 hectares of degraded land and to create more than 15.000 local working days.

2. Measurements

The Green Branch monitors and evaluates the projects and its environmental performance according to two standards: the Verified Carbon Standard and the Climate, Community and Biodiversity Standard, both of VERRA. These standards measure the performance, impact and outcomes of our projects for example CO₂ stored, biodiversity and improvement of the local livelihoods.

All outcomes are measured periodically by satellites, drones and field measurements. All local farmers hand in a monthly report.

Also, the Board is reviewing environmental performance on a regularly basis in the Board Meetings. During these meetings, environmental and social outcomes are reviewed on progress during the last reporting period.



ANTI-CORRUPTION

1. Policies and Actions

The Green Branch has taken the following actions towards Anti-Corruption :

The Green Branch has a stated policy of zero-tolerance of corruption and bribery. We are committed to the practice of responsible corporate behaviour and to complying with all laws, regulations and other requirements which govern the conduct of our operations. Moreover, we are fully committed to instilling a strong anti-corruption culture and is fully committed to compliance with all anti-bribery and anti-corruption legislation including, but not limited to, the Bribery Act 2010 and ensures that no bribes or other corrupt payments, inducements or similar are made, offered, sought or obtained by us or anyone working on our behalf.

This policy is shared and signed with all relevant business partners and stakeholders.

We aim to provide education about anti-corruption for all level of employees and local workers and how to encounter it.

2. Measurements

We measure if we are operating in a corruption free environment and the increase in employees' awareness about the consequences they will face if found doing fraud. The Green Branch is not involved in any legal cases, rulings or other events related to corruption and bribery.



CONTRIBUTION TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

1. Actions

SDG 4 Education: All the projects are co-created with the local community. We learn from them and in turn provide education about regenerative agriculture and carbon farming. We train traditional farmers to be nature conservationists, making the transition to nature inclusive agriculture.

SDG 8 Decent Work & Economic Growth: The local landowners will earn income for the sequestered carbon and improved ecological services, enhancing economic growth and providing financial stability. Next, our projects generate working days for the local workers on our projects and in the area.

SDG 13 Climate Action: Our core business model is to capture CO₂ out of the atmosphere. Climate change is caused by anthropogenic emissions of CO₂. To achieve the UNFCCC goal of limiting global temperature rise to well below 2°C above pre-industrial levels, The Green Branch transforms cattle ranges and unsustainable land management systems into biodiverse forests, to ensure that CO₂ is actively removed out of the atmosphere. We grow native biodiverse resilient forests that will capture carbon in the most efficient way.

SDG 15 Life on Land: Nature in Brazil has severely been degraded by deforestation and extensive cattle ranching. As a result, the land has been deprived of vegetation and soil quality is gradually declining. The environmental damage and the loss of good topsoil disrupts the natural ecosystem and lowers the ecological values. Through landscape restoration The Green Branch brings back life to the land. By using Assisted Natural Regeneration, we give nature the chance to win back its territory. This technique stimulates the natural regeneration of forests by 'kickstarting' the succession process from barren land, to a rich and mature forest. The project area is home to many animal and plant species, so we protect their existence and stimulate their preservation. Native forests are one of the most important natural resources we have. Not only do they capture carbon directly out of the air, they also make good use of it. Healthy forests are important for biodiversity and ecosystem services, such as a good soil structure and water retainment.

SDG 17 Partnerships for the goals: In order to establish long-lasting partnerships in the region we set up so-called location hubs. This structure aims to scale our operations in the area. In cooperation with the local community, government and organizations, we are aiming to reforest a total of 4.000.000 hectares in this area by 2040. We enhance the global partnership for sustainable development,



sharing knowledge, expertise, technology and financial resources in particular developing countries. The Green Branch encourages effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

2. Measurements

SDG 4: We measure for example the number of students in the school of the region who understand the value of forests in preserving biodiversity and maintaining ecosystem services. Also, we will measure the number of workers that received training on reforestation techniques and education about sustainable land management.

SDG 8: To measure economic growth and decent work, we use different parameters like amount of workdays/FTEs created and employee/workers satisfaction rate.

SDG 13: The Green Branch measures the CO₂ storage by satellites and hand measurements. The CO₂ is verified by the Verified Carbon Standard of VERRA.

SDG 15: The Green Branch measures Life on Land via the CCB standard of VERRA. This includes parameters for biodiversity, life on land, flora & fauna, and climate.

SDG 17: Tracking local and global partnerships, keep up to ensure sustainable partnerships and review the outcomes of the partnerships.