Communication on Progress

Period covered: August 2021 - August 2022

1 Statement of continued support by the CEO

To our stakeholders,

I am pleased to confirm that Grow My Tree, now ImpactHero GmbH 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 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 share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Dijana Galijasevic   Hannah Schragmann   Dr. Roland Püttmann-Holgado

Founder & Co-CEO   Chief Transparency Officer   CEO & Co-Founder

2 Description of Actions

General description: As a start-up, we were only at the beginning of our journey when we joined UNGC in 2020. Our mission is to empower communities and vulnerable groups like women via tree-planting (and other positive-impact related activities, such as collecting plastic etc.) and save our Planet A by restoring ecosystems and boosting biodiversity. Since then, we have implemented a clear Grow My Tree *Tree-Planting Methodology* which shows

transparently what criteria we use to evaluate and choose our project partners and what standards have to be implemented in order for a collaboration to be possible. This also means a concrete Theory of Change with defined indicators of how we measure progress. We have a clear *Onboarding Process* for new partners and require a *Code of Ethics* to be signed by all new project partners to sign plus require the completion of clear *contracts* stating the compliance to our procedures. We also found *external certifiers* to check the projects on an ongoing basis and different *tree-tracking and CO2 tracking software* providers to ensure transparency, success of tree-planting and avoid corruption or double-counting. Internally, we defined our *team culture* based on trust and transparency, have a strong *share of women* (>75%) and a policy to *offset flights and employees* plus plant an additional tree for every 22nd tree funded by B2C customers.

HUMAN RIGHTS

At Grow My Tree, *empowering* local communities is the main driver of our actions. Therefore, respecting human rights is the foundation of our work. When we choose project partners, we ensure via strict criteria that human rights are in no way violated and that fair and ethical work conditions are provided. We work *with* and not against communities, listen to concerns and work on solutions and particularly choose projects which have a focus on empowering women and children's education.

- **Internally**:
  - Internally, we value open sharing, transparency and trust as foundation of our team culture
- **Customers:**
  - With our B2B project partners, we would terminate any type of partnership immediately if a human rights violation occurred
- **Supply chain**:
  - Strict consideration of cultural awareness and ownership of local communities as one of our guiding principles: we enable communities to sustainably manage their lands and do not engage in land-grabbing activities or top-down initiatives
  - Prohibit the use of damaging fertilizers
  - Code of Ethics to be signed with the following principles:
    - Grow My Tree supports projects that include specific protection of the children's rights and women's rights.
    - There should be no discrimation either based on ethnic origin, sexual orientation, disability, age, gender or religion.

- The Project Partner has to involve the local community at each step of the planning process of the project.
- Cultural traditions and concerns are taken into consideration when designing and implementing the projects.
- The decision-making process should follow democratic and transparent procedures.

LABOUR

Internally, we are a female-led start-up with diverse nationalities and flat hierarchies. We support women and mothers at work and pay fair wages. We use Wellsome as a mental health tool and include mindfulness and meditation sessions in any longer meeting. With our project partners, we make sure that labour is paid fairly and see the empowerment of women and the provision of long-term income opportunities as one of core goals.

- **Internally:**
  - Strong female share
  - Strong diversity in terms of nationalities
  - Transparent and democratic procedures and flat hierarchies
  - Wellsome as mindfulness tool
  - Meditations initiating every longer meeting
- **Project Partners:**
  - On-site check-ups and talks with workers in the ground
  - Clear budget stating salaries
  - Code of Ethics to be signed with the following principles:
    - The Project Partners have to respect human rights and worker's rights (as defined by the United Nations Labour Organisation) and must guarantee that they are not complicit in human right abuses.
    - Safety and health at the workspace must be guaranteed by the Project Partner.
    - The Project Partner needs to allow for the freedom of association and needs to eliminate and stand against any form of forced or compulsory labor.
    - Grow My Tree prohibits any form of child labour
    - Our Project Partners need to uphold the principle of appropriate and adequate compensation for those engaged in the tree-planting work as essential to the maintenance of high standards within the field.

- The projects should, when possible, focus on adopting more inclusive employment opportunities for the marginalized members of the community.

ENVIRONMENT

As a start-up with the mission to fight climate change and ensure sustainable development, environmental and social sustainability is at the core of our work. Internally, as a (non-industrial and non-producing) start-up working remotely, we do not have major emission sources. Also, due to Covid-19, emissions by travel were very low. However, we all share a culture of travelling mindfully, offsetting business travel and employees' individual emissions via tree-planting and share advice with regards to saving energy in our home offices. At team events, food is mainly vegan and we use second-hand electronics whenever possible. For flyers and marketing materials, we use recycled paper and do team-building events around environmental sustainability.

- **Internally:**
  - Use of second-hand computers
  - Offsetting travel emissions
  - Using recycled paper for flyers and other materials
  - Promotion of green tips and green alternatives on Instagram and LinkedIn
  - Awareness-building around environmental sustainability via blog posts
  - Team-building events around environmental sustainability and doing good for nature
- **Project Partners:**
  - Environmental sustainability as core element in project selection:
    - Trees can only be planted where reforestation is the most sustainable method (no afforestation but reforestation)
    - Biodiversity fit as key sustainability criterion
    - Only planting of native tree species
    - Only planting of mixed forests with high biodiversity levels
    - No chemical fertilizers allowed
  - Clear and openly available methodology and questionnaire assessing the environmental sustainability of the project
  - Involvement of academic experts
  - Using satellite and data layers as well as ground checks to assess the progress of the projects
  - Code of Ethics to be signed with the following principles:

- The trees selected for planting need to be native trees with high survival rate to protect the local environment and guarantee long-term survival of the trees.
- The tree species planted should not pose risk to the water supplies of the working area.
- All of the work carried out pre, during and post planting trees needs to be done under exemplary environmental behavior and with the view of protecting biodiversity in all forms.
- Chemicals that can harm the health of the environment and community cannot be used under any circumstance.
- The selection of planted species is determined by the mutual agreement between Grow My Tree and the Project Partners and is in accordance with the environmental characteristics of the project area, the project's goals and the needs for the local community.

ANTI-CORRUPTION

Due to remote working and the Covid-19 travel restrictions, the risk for corruption was higher than in the years before. Therefore, we involve external academic experts and do due diligence with regards to corruption risk whenever we work with a new project partner. Also, our software providers around tree-tracking and CO2-tracking allow for transparency around the project areas and ensure that no double-counting occurs and that biodiversity is improving. Clear contracts and the visibility of the budget ensures that we know how money is being used, also our team aims to visit the project areas as often as possible.

- **Internally:** Transparency around own values and priorities
- **Project Partners:**
    - On-site check-ups with external experts
    - Visits to project partners
    - Clear contracts and reporting frameworks
    - Code of Ethics to be signed with the following principles:
        - The Project Partner needs to take a non-nuanced and strong stand against corruption in all its forms, which includes extortion, solicitation, bribery and fraud.
        - All of our Project Partners and the involved projects should be transparent and meet the sustainability criteria of Grow My Tree. Whether a project fits the Grow My Tree Criteria or not will be

evaluated after the assessment of the answers (and associated documents) from the questionnaire provided.

- The Project Partner needs to demonstrate the flow of the received funds. Additionally, the Project Partner needs to show the breakdown of charges based on 100.000 planted trees.The received funds can only be invested in the direct and indirect management and operation of the project.

- The Project Partner needs to be willing to allow long-term monitoring of the planted trees, wellbeing of the local community and the response of the environment.

- The Project Partner needs to have a system in place that is already tracking the planted trees. If no system is in place, the Project Partner needs to be willing to implement such a system. In that case, Grow My Tree will empower the project by providing the necessary hardware (e.g. phones) and software (tree tracking apps) as well as the necessary training to use those technologies.

- The Project Partner will promote an awareness and understanding of the Code of Ethics with all the members involved in the project.

3 Measurement of Actions

In the box below, we include the most relevant indicators to measure outcomes.

Internally
- Percentage of recycled materials (used for marketing and internally) → to be measured for 2023, aiming for 90%
- Employees broken down by diversity factors (gender, nationality): Right now, we have a female share of >70% and comprise >8 nations (target met!)
- Employee satisfaction & mental health → to be measured for 2023
- Travel and general emissions of employees offset → this year: 90%, aiming for 100%

Externally
For each of our projects, we define a clear theory of change, defining clear key performance indicators (KPIs) for:
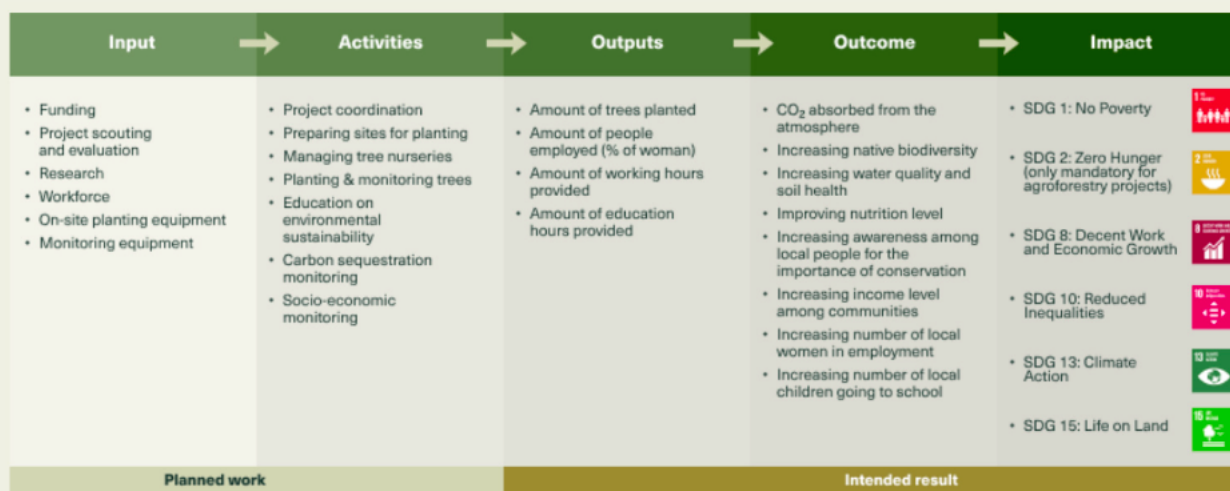- Input (what we need)
- Activities/Output (what we do)
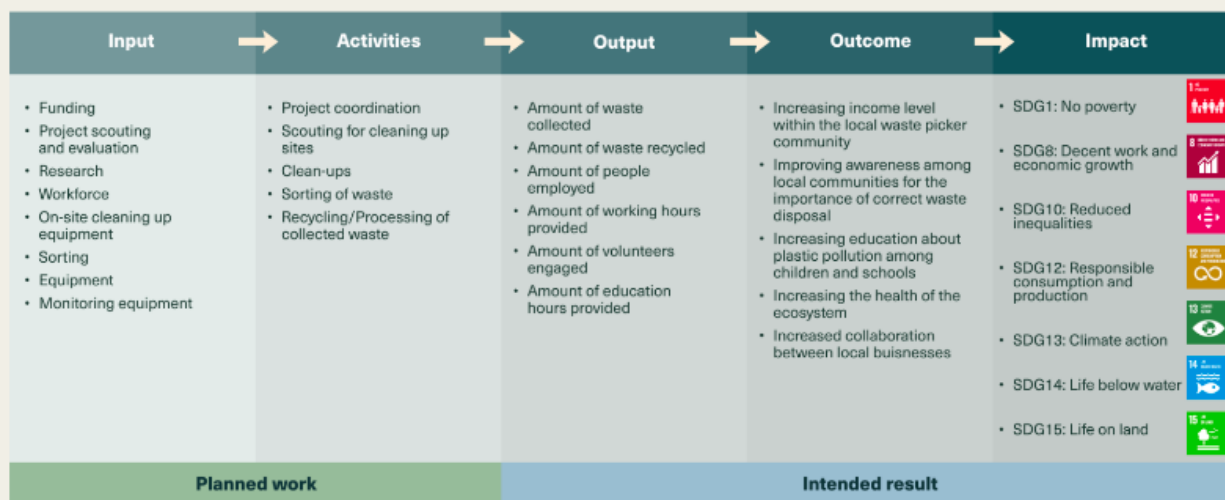- Outcome (what is changing)

- Impact (what will have changed)

We then aim to use those KPIs to measure the project-specific input-output relation, to assess and improve the efficiency of project performance and to evaluate their long-term impact. Because only by measuring, we are able to improve. Below, you can find our general theory of change which functions as the baseline for all of our projects. Since every project has a different tailored focus, the theory of change will be adjusted to every project specifically, with every project contributing to the SDGs in the chart but potentially contributing to additional SDGs.

Theory of Change for Tree-planting:

Input	Activities	Outputs	Outcome	Impact
• Funding • Project scouting and evaluation • Research • Workforce • On-site planting equipment • Monitoring equipment	• Project coordination • Preparing sites for planting • Managing tree nurseries • Planting & monitoring trees • Education on environmental sustainability • Carbon sequestration monitoring • Socio-economic monitoring	• Amount of trees planted • Amount of people employed (% of woman) • Amount of working hours provided • Amount of education hours provided	• CO_2 absorbed from the atmosphere • Increasing native biodiversity • Increasing water quality and soil health • Improving nutrition level • Increasing awareness among local people for the importance of conservation • Increasing income level among communities • Increasing number of local women in employment • Increasing number of local children going to school	• SDG 1: No Poverty • SDG 2: Zero Hunger (only mandatory for agroforestry projects) • SDG 8: Decent Work and Economic Growth • SDG 10: Reduced Inequalities • SDG 13: Climate Action • SDG 15: Life on Land
Planned work			**Intended result**	

Theory of Change for Collecting Plastics:

Input	Activities	Output	Outcome	Impact
• Funding • Project scouting and evaluation • Research • Workforce • On-site cleaning up equipment • Sorting • Equipment • Monitoring equipment	• Project coordination • Scouting for cleaning up sites • Clean-ups • Sorting of waste • Recycling/Processing of collected waste	• Amount of waste collected • Amount of waste recycled • Amount of people employed • Amount of working hours provided • Amount of volunteers engaged • Amount of education hours provided	• Increasing income level within the local waste picker community • Improving awareness among local communities for the importance of correct waste disposal • Increasing education about plastic pollution among children and schools • Increasing the health of the ecosystem • Increased collaboration between local buisnesses	• SDG1: No poverty • SDG8: Decent work and economic growth • SDG10: Reduced inequalities • SDG12: Responsible consumption and production • SDG13: Climate action • SDG14: Life below water • SDG15: Life on land
Planned work			**Intended result**	

Since every project has a different geographical location and socio-economic relevance, each project will have some priority SDGs which we will measure towards. For each of the project, we define different targets and measure against these targets to share with the general public in our Impact Reports.

Goals

We only recently implemented our framework and therefore yet have to wait for data to be evaluated.

Our goal is to only onboard new project partners able to provide the given data and to implement this framework step-by-step with our existing project partners, with the goal to have minimum 85% of our trees planted in projects able to provide us with this concrete data.

For collecting Plastics, we are still at the beginning of our learning process. We also have a GMT Plastics Methodology and a Code of Ethics to sign, but yet need to involve external experts and set up similar processes as we already have in place for tree-planting. For additional impact items to come (such as ecosystem protection or education), we still need to implement a process and sustainability criteria.