

**Statement of continued support by the Chief Executive Officer**

Statement of the company's chief executive (CEO or equivalent) expressing continued support for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles.

Padova, 23 August 2022

To our stakeholders:

I am glad to confirm that Etifor | Valuing Nature expresses its continued support to the Ten Principles of the UN Global Compact in the areas of Human Rights, Labour, Environment, and Anti-corruption.

In this year's Communication on Progress, we report our actions that aim to the continuous improvement of the integration of the UNGC and its Ten Principles in our company's strategy, culture, and daily operations. Moreover, we also commit to share this information with our stakeholder through our main communication channels.

Sincerely,  
Dr. Alessandro Leonardi  
CEO, Etifor

## 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.

Human Rights have always been of paramount importance for Etifor. As it is explicitly declared in our Ethical Management System (available [here](#)), four fundamental values have been defined with an internal consultation involving partners, managers, collaborators and employees. These values, which are strictly related and in line with the Articles of the Universal Declaration of Human Rights, are:

- Transparency and legality
- Quality of life
- Equal opportunities
- Environmental responsibility

In 2020, we decided to make our commitment even clearer by adding, among our principles and intents of the action plan in the Ethical Management System, the respect of Human Rights. Partially related to this, this year Etifor became a “Società benefit”, thus including in its statute the explicit willingness to pursue the public good alongside profit, which is clearly something that implies the respect of Human Rights.

### Implementation

Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.

The main actions undertaken or planned by Etifor for the implementation of the four abovementioned fundamental values (which, in turn, are connected and in line with Human Rights) are listed in the Ethical Management System (available [here](#)).

One important tool that deserves to be mentioned is the use of third-party certifications within its internal and external operations (e.g. FSC®, GSTC™). Such certifications ensure both the respect of Human Rights within the company (Etifor itself is FSC and GSTC member) and within projects implemented in partnership with or for other organizations.

Moreover, last year we approved our “Policy for Association”, which clearly states that the violation of human rights by any company willing to work or to be associated with Etifor is unacceptable.

### Measurement of outcomes

Description of how the company monitors and evaluates performance.

We plan the actions and keep track of progress in our Ethical Management System (available [here](#)).

Moreover, we developed an integrated system to keep track and evaluate our social, environmental and governance impacts, based on SDGs. In 2020, we carried on an internal consultation (open to the whole staff and shareholders) on impact assessment and designed a task force to develop the integrated system. The



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task force has developed a methodology to carry out this assessment and conducted a first test on one of the internal business units; in 2021 we scaled-up the methodology and adapted it to all the company's business programs; by the end of the current year, we will be able to report the first results of this monitoring system.

## 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.

Etifor is committed to being an active economic actor in promoting and safeguarding the wellness of its employees, collaborators and partners, paying particular attention to the promotion of personal development, quality of life, equal opportunities and non-discrimination.

These commitments and the actions undertaken and planned to achieve them are listed in the company's Ethical Management System (available [here](#)).

### Implementation

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

The concrete actions taken or planned by the company are listed in the company's Ethical Management System (available [here](#)).

Some examples of actions undertaken are the following:

- Ethical Management System: Etifor developed an Ethical Management System (in Italian: codice etico) that is updated yearly and published in the company's website
- Professional insurance: Etifor uses a professional insurance for staff and projects
- Brain Day: Etifor organizes yearly a two-days event (called "Brain Day") for internal consultation. During this event, employees, shareholders, and collaborators are invited to propose/discuss themes of interest, potential issues or problems, future company's objectives, strategies, etc.
- Smart work: Etifor promotes a regime of smart work and working schedule that matches people's needs (e.g. flexible work, lifelong learning, welfare plan, etc.)
- Non-discrimination: Etifor explicitly states, when opening new job positions and during its daily communication on social media, that we support diversity and will not discriminate based on sexual orientation, gender, origin, nationality, religious beliefs, etc.

Etifor has appointed a specialized labour consultant in order to ensure full application and update of labour legislation and workers' rights: Agr. Alessandra Rinelli, Labour consultant, MR CONSULENTI S.t.P. S.r.l.

Moreover, a first draft of the new "wellbeing and fair compensation" policy – i.e., a policy clearly summarizing the benefits other than the salary that employees are granted with (e.g., welfare plan, flexibility, compensation), according to roles and responsibilities – has been developed to ensure that each employee is fully aware of the benefits he or she can take advantage of. This draft is currently being revised following the feedback of the employees.

### Measurement of outcomes

Description of how the company monitors and evaluates performance.

Etifor monitors and evaluates performance through the following activities:

- Monitoring of financial and non-financial (e.g. no. of people employed, gender equality indicators related to employees, etc.) results by the Senior Management
- Monitoring and update of the Ethical Management System
- Monitoring of the implementation of the actions scheduled during the Brain Day
- Monitoring by the external Consultant.

## ENVIRONMENT

### Assessment, policy and goals

As explicitly stated in our Ethical Management System (available [here](#)), environmental responsibility is one of our four fundamental values.

Our mission is to restore the balance between people and nature. To fulfil our mission, we work to improve the economic, environmental and social benefits of policies, projects and investments through applied science, proactive innovation and good governance.

### Implementation

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

When purchasing external goods and services Etifor' staff follows a procedure, approved in 2021, requiring buying only when strictly necessary (i.e., avoiding unnecessary consumption and waste) and, when necessary, following the 5R rule (Reusable, Renewable, Responsible, Recyclable, Relationship). In this way, we try to reduce the overall negative impacts of the products and services we purchase.

When planning trips and field missions, we have established an internal procedure to reduce the footprint of commuting and travels, incentivizing the use of public transport, cycling and non-travel options.

To turn our mission into concrete actions and projects, we work in seven Business Programs that have a specific mission aligned to the company's mission. These programs and their missions are presented in the table below:

Business Program	Mission
Nature Governance	Improving governance, trade-offs, and finance for protected areas and natural resources by adopting the landscape/territorial approach.
Supply Chains	Improving the sustainability of supply chains having impacts on forest ecosystems.
Forests	Improving the management of the world's forest to deliver multiple products and services according to the best sustainability standards.
Nature Positive	Improving the environmental performance of companies toward nature positive targets.
WOWnature	Allowing people and organizations (companies, associations, etc.) to support the restoration or protection of forest through the e-commerce WOWnature.
Tourism	Improving the governance and sustainability performances of tourism destinations and its operators.
Local Development	Improving the governance of complex innovation and development projects within rural areas.

## Measurement of outcomes

Description of how the company monitors and evaluates environmental performance.

Etifor has always evaluated and monitored environmental performance. The evaluation and monitoring is done on two levels: internal (the company's environmental performance in its daily operations) and external (the environmental performance of the projects implemented).

Examples:

- Calculation of the CO2 emissions due to the company's activities (e.g. business travels, home-to-work of employees, energy consumption in the workplace, etc.)
- Calculation, with the third-party FSC certification on Ecosystem Services, of the benefits of the responsible management of forests supported by Etifor and its projects (e.g. tCO2 captured and conserved, hectares of habitat for biodiversity improved, improvement in water and water basins quality, soil conservation, etc.)
- Identification and evaluation of economic, social, cultural and governance impacts in touristic destinations with GSTC certification
- Calculation of the impacts of our partners with tools such as carbon footprint, LCA analysis, etc.

Moreover, we have developed an integrated system to keep track and evaluate our social, environmental and governance impacts. We carried on two rounds of internal consultation (open to the whole staff and shareholders), one in 2020 and one in 2021, on it and designed a task force to develop the integrated system. The first results of its application will be available by the end of 2022.

Lastly, we are working on a strategy to reduce the climatic impacts related to our organization. In 2021, we completed the calculation of the company's carbon footprint, we keep monitoring it yearly, and we are already consulting and engaging the staff to agree on and implement actions to reduce it.

## 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 anticorruption.

As explicitly stated in our Ethical Management System (available [here](#)) transparency and legality is one of the company's fundamental values.

For this reason, we decided to join and/or become members of some international councils (e.g. FSC, GSTC, UNGC, etc.), thus making our commitment to anti-corruption public.

Moreover, the opportunities we select are in line with the ethical standards of each transnational institution and funding organization we come into contact with. If not specifics on the project context, these issues are referred to the kind of contract and proposal/tender procedures. For example: see "Fraud and Corruption" sub-section of the [World Bank Guidelines for Selection and Employment of Consultants](#).

### Implementation

Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

Etifor publicly committed to be in compliance with all relevant laws (which include anti-corruption laws) in the company's Ethical Management System (available [here](#)) and publicly states its support for international and regional legal frameworks (e.g. UNGC, FSC, GSTC).

Moreover, this year we approved our Policy for Association, which clearly states engagement in bribery and corruption by any company willing to work or to be associated with Etifor is unacceptable.

### Measurement of outcomes

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

Periodic review by Senior Management has never found any corruption cases.  
There are not public legal cases regarding corruption involving Etifor.